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CZECHOSLOVAKIA

Importance of Party Controls in Slovakia Stressed *24000016 Bratislava PRAVDA in Slovak 9 Oct 87 p 1*

[Excerpts] Life confirms this undeniable truth: control holds a vital place in every area of building socialism, economic, social and cultural. This claim can be supported by several facts. The need for controls is due to the irresponsible approach toward the fulfilling of responsibilities, plans, resolutions, programs, to failing to complete assigned tasks, damaging and stealing property in the socialist and collective ownership, poor management, giving preference to personal and collective interests over national ones and indifference. But there is also the indifferent attitude toward duties in positions where high commitments to policies of the party and the consequent inherent responsibilities are essential attributes in meeting the goals prescribed by the 17th CPCZ Congress and the CPSL Congress.

Many examples could be cited showing where controls contributed to improved management, to good results, to protection of communal property and to exposing persons who were enriching themselves at the expense of society.

It must be stated clearly that there is never enough control activity. In spite of the fact that "Measures for Improving Management" and "Principles of Management in the National Economy and State Administration" have become effective and that the 17th CPCZ Congress extended power of control to other party organizations and that, after all, every manager is responsible for controlling the area under his jurisdiction, including certain phenomena which are contrary to our socialist ideals, as well as for any actions contrary to socialist legality, morale, and discipline, of which there are many.

Lenin's thesis, that when good resolutions and measures are passed, the foundation of all policies is oversight and control of people, is well known, and one is reminded, one should add, of self-management on numerous occasions. But nevertheless, facts indicate that management apparently has never heard of his thesis. Or perhaps they underestimate it? Otherwise, it is hard to explain that in spite of numerous regular checks, inspections and controls carried out by internal control agencies and units in enterprises and organizations usually do not turn up anything. They only note some violations of rules, regulations and standards. When, however, there follows a check by the SSR People's Control Committee or by law agencies who have been alerted by a letter or worker's complaint, then criminal activity is almost always discovered. Unfortunately, it is usually too late. Society has suffered great losses which will never be recovered for the state. This is confirmed not only by the results of controls carried out by the SSR People's Control Committee and judgments against the thieves but also in discussions with first secretaries of OV [okres committees] of the CPSL published in PRAVDA and UJ SZO.

Amendments to the CPCZ Bylaws approved by the 17th Congress extended to other party organizations the right to supervise management. But somehow there is no visible improvement in the work of planning organizations, construction offices, scientific research institutes, housing enterprises, community services, schools, cultural, educational and health facilities.

To support this claim we can observe the activity of chief controllers and enterprise control units. The great majority of chief controllers are CPCZ members. The ruling is that chief controllers are supposed to report their findings regularly to the CZV [all-factory committee] of the CPSL or the ZO [plant committee] of the CPSL in the enterprise where they work and, in turn, party organizations are obliged to take up regularly the results of control operations and the work of the chief control unit, encourage supervision, and in turn make use of their findings in party work. This ruling is not observed everywhere.

Experience shows that, in spite of the work of about 4,500 professional control, inspection and supervisory personnel in the system of the national economy and the state administration, control is most effective when it is conducted by officials, heads of agencies and organizations, managers, deputy heads or—simply stated—senior officials. After all, who more than they need to have the results of control in order to know about actual performance of duties, and look for ways to remedy any problems and deficiencies?

Their positions entail the responsibility to organize control, comply with resolutions, meet goals, plans, observe socialist legality, morale and discipline in the spirit of the letter of the presidium of the CPCZ Central Committee, and to make use, in principle, of the results.

Only this kind of approach to evaluating the activity of management personnel will bring benefits to all of society.

In many party organizations the right to control the activity of economic management is utilized effectively. They explore the situation in depth and independently, directly on the spot, and actively make use of any information obtained from letters and discussions at meetings. Nevertheless, one must also seriously consider the instances of distortion of economic results which can be construed only as defrauding the socialist state, and also of poor management and waste, the production of poor quality or useless products which will never leave the stockroom shelves. It can be said without exaggeration that this kind of management can come about only where the party organization and also the control officials are somewhere at the end of operations, at the tail, where no one sees obvious deficiencies, everything is overlooked and all engage in "ostrich" politics.

If this were not so then it could not happen so often that matters of principle get the green light before external controls reveal failures, machinations and serious errors in protecting socialist property. The essence of control on the part of senior officials should be sustained individual work with people and not collections of reports and announcements.

Finally, control activity, conducted by whatever control agency or individual, must not be considered as a kind of disruption, statistical data survey, but rather as a matter of preventing problems and involving the broadest possible grouping of communists and non-party persons. It is important to discover problems and seek and make use of effective ways to overcome them with the participation of the whole workforce. In the spirit of Lenin's principle, work control should be carried out by all workers and employees of the enterprise either directly, if the enterprise is small enough to permit it, or through their representatives.

We were persuaded more than once that the authority of party organizations grows unusually fast when emerging problems are systematically resolved, when people at meetings, in personal contacts with communists do not talk, figuratively speaking, to the wind, but rather their suggestions are carried out, critical comments investigated and resolved; when they feel that they are being considered. Also, they welcome information about the results of controls; it makes them feel involved when they take part in overcoming any deficiencies that affect their work area. After all, it is in the interest of their honor to make corrections. In addition, the publication of control results is also an effective means of countering various bureaucratic distortions of the situation.

All of this is verbally admitted. When one talks of the importance of controls many say, yes, that is true, it is so. But in practice they never exercise any control, and even consider it as an irritant, something alien, in spite of the fact that they admit its necessity, great political and economic importance and educational benefits.

We have one-third of the 8th 5-Year Plan behind us. We cannot be particularly pleased with the results achieved so far. So how should we proceed further? To this question we can reply from the position of the worker in the control system and also the citizen who is concerned that we proceed at a faster pace to fulfill the prescribed goals: it is necessary to make the whole system of party controls more efficient, to fully develop the control mechanisms of economic and state agencies to a substantially higher level.

TVORBA Interviews Soviet Historians Afanasyev, Polyakov
24000017 Prague TVORBA in Czech 4 Nov 87 p 14

[Interview with Prof Yuriy Afanasyev, rector of the USSR National Historical and Archival Institute, and with Yuriy Polyakov, president of the Historical Council, Academy of Sciences of the USSR, by Milan Syrucek: "Without Pretense, Without 'Blank Spaces'"; first paragraph is TVORBA introduction]

[Text] Since history must really become a lesson for the present it cannot be enclosed in simplified formulas and precepts. It must be shown in all its complexity and inconsistency. Therefore, in Soviet historiography today a very vehement discussion is going on about the meaning of individual historical stages, about the meaning of individual personalities and about the meaning of history as a whole. We talked with two leading Soviet historians about the key points of these discussions.

The rector of the National Historical and Archival Institute, Prof Yuriy Afanasyev, is one of those Soviet historians who, among the first, wrote about a detailed scientific evaluation of the 70-year history of the Soviet Union; about the fact that the heretofore taboo "blank spots" must be filled in.

[Question] What sense does it make to return to history again? Some people feel that it diverts attention from contemporary tasks.

[Answer] I am convinced that it is just the other way around. In order to solve today's problems the study of the past is indispensable. We interpret perestroika as a revolutionary process touching the very foundations of all of society. It doesn't affect just some parts of it; the further existence of the entire society depends on it. And if perestroika means a revolutionary change, transformation of social, economic, and spiritual structures, then the question logically follows: what is subject to perestroika?

The basic structure of our society was formed from the end of the 1920's up until today; therefore we cannot exclude history from today's perestroika in any case.

[Question] What do you think of the fact that in the Soviet press the names of Lenin's nearly forgotten co-workers—Trotsky, Bucharin, Kamenev, Zinoviev—have begun to appear?

[Answer] All of those personalities must be totally reevaluated. For example, under Stalin's influence Trotsky became simply a traitor who wormed his way into the party for dishonest reasons. Today, on the other hand, he is mentioned in the press as though he were an outstanding man; but a serious view is still lacking. For example, it is true that the recently published Encyclopedia of the Great October Socialist Revolution, after many years,

again brought up Trotsky, Bukharin and a few hundred others, but it is only a simple inventory of names, and in no way a scientific evaluation of those people and their activities.

[Question] You are the rector of a scientific and university-level institution, and you work with students. What is your view of today's young people?

[Answer] Unfortunately our young people for the most part shy away from politics; they are indifferent to the problems of society, their interests lie elsewhere. I have in mind the most varied so-called informal associations. Possibly the most concentrated expression of the feelings of the young people is "hard rock." The apolitical stance of the young must be accepted as a fact, but we cannot become reconciled to it; we need to turn our 17-year-olds from rock to politics. And to acknowledge that we are the cause of their spiritual state of mind—because we became accustomed to lies and pretense. At home, in school, everywhere in public; in propaganda, art and culture. We knew very well how difficult our life was, but still we fabricated it in the escapist style of "Kuban' cossacks." I would say that that was the worst ballyhoo of our reality. It led to stultification, it enveloped us in a pleasant rosy mist. To be sure, it worked for a short time, and millions of people truly believed that that is how our near future would be. But then came the rude awakening and moral hangover, leading to despair, coarseness and drunkenness, and distrust of new words: aren't they just new lies?

The president of the Historical Council of the Academy of Sciences of the USSR on historical demography, Yuriy Polyakov is also one of those historians who openly express their views. He attracted attention with his dialogue with the literary scholar F. Kuznetsov in the newspaper LITERATURNAYA GAZETA. A day after we spoke with him at the Institute of History of the Academy of Sciences of the USSR he began a series of conferences on the "blank spots" in the history of the Soviet state, which the APN provided for foreign newsmen.

[Question] The new evaluation of Soviet history has evoked both in your country and abroad an almost too lively response. What do you think of it?

[Answer] We consider a profound, calm and scientific examination to be useful. On the other hand, a chase after sensationalism, a one-sided approach, is harmful. Many sensations have indeed surfaced, we call them "half-baked facts." But we must consider our history in all contexts. We must take a complex approach to historical facts and events. Meanwhile we simply say: Stalin permitted such and such illegalities, atrocities, repressions, etc. We say that, for example, we made mistakes in establishing collectivization. But we must say why it was that way, why there could accumulate critical phenomena that caused critical situations, as the June plenum of the Central Committee of the party

described it. The most important task of historians is to explain what held back our progress; what kept us from properly applying the advantages of the socialist system. That takes a certain amount of time. We must examine the cult of Stalin in all its contexts and determine its place in history. Here we see a very involved complex of objective and subjective causes, which are mutually interwoven.

[Question] Could you define them more precisely?

[Answer] In the first place I would put the unfriendly stance of the capitalist countries. It was global in nature and it operated for 70 whole years. It caused us enormous losses. In the course of the civil war, until 1923, the number of inhabitants, as a result of intervention and starvation, dropped by 13 million. If we add to that the drop in the birth rate, we were actually 25 million fewer. In 1940 only 167 million people lived in the USSR. If the prewar demographic growth had continued we should have had as many as 213 million in 1946. That means that our losses during the Great Fatherland War [Second World War] were not 20 million, as has hitherto been said, but 46 million people. In addition, we had to defend ourselves continuously, construct a nuclear shield after the war, manufacture nuclear bombs, guarantee not only our security, but that of all of socialist society. It also forced us constantly to hurry, improvise in many ways, restrict democracy. I call it the compulsion syndrome. Another cause was the backwardness, the low level of our initial position, which we had to overcome by ourselves. After World War II, of course, the socialist camp strengthened some developed countries, such as Czechoslovakia, the German Democratic Republic and Hungary, but in a number of other countries, especially in Asia, the starting level was also low. Our remote regions were very backward. We solved the problem together, we helped each other, but for Central Russia it resulted in a double difficulty, especially for the countryside. In reality it was a double squeeze which also weakened central Russia. We are indeed proud of the progress we have made, but it cost us enormous effort.

The third objective cause was our inexperience, the unique novelty of the problems which we had to solve. It is not possible to arrive at our goal over a clean snowy plain in an ideal straight line. We were unable to avoid mistakes. To be sure, the Communist parties of the socialist countries in some cases managed to attune the general laws of the building of socialism to their concrete conditions, but at the same time they all made certain unavoidable mistakes and errors.

[Question] And the subjective causes?

[Answer] For example, almost all the countries were in too much of a hurry, they skipped developmental stages. It showed in, say, the historical impatience of the masses, the desire to attain as soon as possible the indicated goal. Lenin called it "a childhood disease of leftists." That is a somewhat narrow label; simplified concepts of the ways

and means of socialist construction are also involved. We thought that it all could be attained faster, simpler, more easily. But man himself turned out to be less attentive and mature than we had thought. We had believed that after the victory of the revolution he would be transformed all by himself.

Man is not biologically imperfect as religion would have it, but over long millenia egotistical habits have remained. We believed that they were relics of the past that socialism would remove, but we were wrong. There were, are, and will be contradictions in every society, including communist society. Not antagonistic, it is true, but contradictions in life and growth. That is the way it is with people. We thought that such evils as crime, drunkenness, prostitution, drug addiction, etc., would disappear by themselves. The seventies have come and gone and they are still here. So that means that their causes lie deeper.

We understood humanism badly and in so doing we ourselves made everything complicated. I am not only speaking of negative phenomena, but also about the fact that we relied too heavily on the consciousness and enthusiasm of people, and did not create the necessary stimuli for their personal economic interests. We mistakenly interpreted humanism, and therefore various slovens, thieves and parasites thrived. With one hand we gave them reprimands, and with the other—paid vacations. That led to general apathy. If even the bad workers received as much as the good ones, it is logical that the effort to work conscientiously was lost.

And finally, the bureaucracy increased considerably. Lenin warned against it, and saw in it a serious threat. Here two circumstances are important: It was necessary to strengthen the country, but the country took upon itself too large a burden. It can do a great deal, but it cannot do everything. And secondly; a nation becomes established above all through initiative and autonomy of its workers, and not through the mediation of the apparatus. The bureaucracy ran rampant, superfluous connecting links appeared. And what is superfluous is harmful. A whole army of people appeared who worked only for themselves. That was the source of inaction, corruption, pretense of work, and not work itself. That made it possible for Stalin, Khrushchev and Brezhnev to acquire too much power.

[Question] People often ask: Did the system create Stalin or did Stalin create the system?

[Answer] That is too simple a question. Stalin misused the system of the dictatorship of the proletariat to strengthen his positions and he strengthened just those links which he needed in order to acquire absolute power.

[Question] I have encountered the view that the dismantling of socialism began as early as Lenin's death and that in that sense 1929 was the key, pivotal year. Do you also think so?

[Answer] In my opinion that is an incorrect view. Our entire development was aimed forward, we were building socialism. We know and acknowledge that it led to errors, restraints and fluctuations that led to Stalin's despotism. The complication lies elsewhere. Stalin managed to identify, in people's minds, his name with the successes of the entire society. People sincerely believed in him. How else could we win the war, after Stalin had liquidated the entire cadre? You know that the repressions in the pre-war years reached about a million people in our country.

Despite all its losses the party still managed to maintain its position among the workers, farmers and intelligentsia. And above all, despite the Stalinist tinge, it managed to preserve socialistic ideals in our people. Just imagine: a portrait of Stalin is hanging on the wall, and underneath it the slogan "Forward to the victory of communism." People equated the two, but what was most important for them: Communism or the portrait of Stalin? The victory of Communism was obviously crucial, and therein lies the difference.

Another question is how Stalin managed to merge both symbols. That is a very complicated historical phenomenon that would require a much more detailed analysis. But it is an undeniable fact that people, in the majority, trusted Stalin.

[Question] What do you think are the main lessons of the victory of the October Revolution for today?

[Answer] The rule of the bourgeoisie was overthrown and a truly people's power was enthroned. The most fundamental result was the fulfillment of Lenin's goal: to raise those poorest of the poor to historical creativity, to enable them to have unhindered access to education, to a share in the control and operation of society from bottom to top.

This is the Leninist conception of democracy to which we are returning today. Even if it obviously has new forms that are in accord with our times, still the main thing remains: socialism is unthinkable without democracy.

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Husak's Personality Analyzed

23000039 Frankfurt FRANKFURTER ALLGEMEINE
in German 9 Jan 88 p 5

[Article by Johann Georg Reissmueller: "The Inscrutable One"]

[Text] Gustav Husak is said to have had a life full of turnarounds. But in reality, there were only two: the first, when Husak in 1968 took the side of the Prague reform

communists and even became their leading spirit; the second, when he turned away from the reformers after the Soviet invasion and became the highest administrator of a deep-freeze policy which made Czechoslovakia, the country in the heart of Europe, appear a leftover from the Stalin era. In the decades before and after, however, Husak was always the same: a diligent, dogmatic communist.

When Bratislava law student Husak joined the Communist Party at the beginning of the 1930's, he absorbed the concentrated Stalinism which then prevailed in the Party. After the war he climbed to the top of authority in Slovakia as a ruthlessly activist functionary. In 1951, he became a victim of the persecution machinery which, up to then, he had co-directed against the "enemies"; at that time, Stalin still ruled.

He spent 9 years in prison. It was the time when Khrushchev condemned Stalin, when Poland stood up to the Soviet Union, and Hungary revolted against it. All that passed Husak by. When he was allowed to leave the prison in 1960, his most energetic actions concerned his readmission to the Party—which, under Novotny, was still stubbornly resisting de-Stalinization.

Then suddenly, at the beginning of 1968, Husak became one of the initiators of reform. "The contemporary European wants to have a voice and share in decision-making...he wants to be able to elect the leadership himself and to be able to criticize it, even dismiss it. The citizen wants guarantees that he is allowed to exercise his voting rights freely." Thus spoke Husak at the time. Fifteen months later, under Soviet orders he removed Dubcek from the position of party chief.

Is he then a communist of the old order who, for the sake of opportunism, once left the Leninist-Stalinist path for a while? Or is he a reform communist who, mostly behind the mask of a dogmatist, was awaiting his hour? The latter has little probability. But we don't know; no one so far was able to solve the puzzle that is Husak.

However, there are also two very evident constants in the life of this man. One is his strong Slovak national sentiment. It was not least of all his feeling for the Slovak nation that made Husak stay in touch with Interior Minister Sano Mach during the time of the Slovak Republic under the patronage of Germany. At the end of the war, Husak would have dearly liked to incorporate Slovakia as a republic of the Soviet Union; he feared renewed Czech hegemony. And the accusation of "bourgeois nationalism" which brought Husak into prison in 1951, contained some truth; but it was a perversion to persecute him for that. He used the Prague reform movement as well as its destruction in order to obtain for Slovaks equal rights with Czechs. Thus the federalization of Czechoslovakia is the only thing remaining of the "Prague Spring." As long as he ruled in Prague, he put as

many Slovaks as possible into important positions. This annoyed the Czechs; they also held his somewhat inadequate Czech [language] against him.

Husak's other constant characteristic is his burning ambition which made the young altar boy answer, when asked if he did not want to become a priest, "a bishop, at the least." Ambition probably also played a part when, after the war, he distinguished himself in persecuting the "reactionaries" of the Catholic Church and the Hungarian minority; when, decades later, he joined the first ranks of the reform communists; when he placed himself at the disposal of the Soviets. Dubcek seems to have sensed this fire in Husak. He distrusted the man and, during his short time in power, hesitated to give him any high office.

The mistreatment in prison had ruined Husak's health; he pulled himself together with willpower and discipline. In this he succeeded less and less in recent years. Nonetheless, Husak would probably have liked to continue for a while yet as general secretary of the Party. But for the Prague and Moscow leadership, he no longer fitted into the picture; they were even in a hurry. Since December 17, he must be satisfied with the office of president of the republic. It is a figurehead position. In the splendor of the Prague castle, Gustav Husak may for a while yet celebrate the appearance of power rather than power; unapproachable, inscrutable, spreading around him the icy atmosphere of pride.

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GERMAN DEMOCRATIC REPUBLIC

**Summaries of Major EINHEIT Articles,
October-November 1987**
*23000025a East Berlin EINHEIT in German
Vol 42 No 10-11, Oct-Nov 87
(signed to press 16 Sep 87) pp 1053, 1055-1056*

True to the Legacy of Red October on the Course Set by Our Eleventh Party Congress

[Article by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council; pp 867-873. Text version from NEUES DEUTSCHLAND, 6 Oct 87 pp 3-4, published in the East Europe DAILY REPORT FBIS-EEU-87-196 of 9 Oct 87 pp 112-16.]

[Text] Since the Red October, the start of our new era, the Soviet people has been achieving a magnificent feat in the construction of socialist society and developing the USSR into a world power of the first rank. Through implementing the 27th CPSU Congress and the 11th SED Congress resolutions, our parties and peoples, true to the ideals of the Great October and linked in firm friendship, are fulfilling their duty to strengthening socialism and safeguarding peace. Led by the objective laws of socialism and mindful of national givens and the

course of events in the world, we keep shaping, for the good of the people, the socialist society in the GDR, carrying on our policy of dialogue and international cooperation.

The Working Class' Historical Mission and the Struggle for Peace

[Article by Hermann Axen, member of the SED Central Committee Politburo, SED secretary for International Relations; pp 874-881. A full translation of this article, under the heading "Axen Lauds Workers' Struggle for Peace," is published in this report.]

[Text] "Securing peace has the priority over everything. Preventing a nuclear inferno is the indispensable prerequisite for any democratic, national, and social progress, for solving the global problems of mankind"—thus is brought out, proceeding from what is new in the nuclear space age, and by way of the experiences of the revolutionary world process in the last seven decades, the identity of principle between the working class struggle for social progress and the struggle for peace.

On Our Marxist-Leninist Party's Political Leadership

[Article by Horst Dohls, member of the SED Central Committee Politburo and SED Central Committee Secretary for Party Organs; pp 882-889. A full translation of this article, under the heading "Dohls Extols SED's Successful Policy Promotion," is published in this report.]

[Text] The birth and growth of the GDR attest to our party's resolutely assumed leadership role and to its ability in applying the universal inevitabilities of the socialist revolution and of socialist construction creatively, in accordance with our country's concerted historic conditions and demands. What requirements does our party face today with respect to its political leadership activity, especially on our major battleground, the unity of economic and social policy? How does the party shape its capacities for coping with the economic strategy in general and the scientific-technical revolution in particular?

The October Revolution—the Birth of Real Humanism

[Article by Kurt Hager, member of the SED Central Committee Politburo and SED Central Committee Secretary for Culture and Science; pp 890-895. A full translation of this article, under the heading "Hager Notes Soviet Revolution's Humanist Goals," is published in this report.]

[Text] Since its hour of birth socialism has proven as the real humanism. The range of this active humanism extends from the peace decree to the socialist peace policy in our days, from abolishing all exploitation and suppression of man and the spread of socialist democracy to the coping with scientific-technical progress for

the good of all. Our party course toward further shaping developing socialist proceeds in close, steadily deepening cooperation with the CPSU and the USSR.

Reliable Shield of Socialism and Peace

[Article by Gen Heinz Kessler, member of the SED Central Committee Politburo and minister for national defense; pp 896-902. Text published in the East Europe DAILY REPORT FBIS-EEU-87-223 of 19 Nov 87 pages 16-20.]

[Text] Created by Lenin's party to defend the accomplishments of the Great October, the Soviet Army, a new type of army, has from the outset reliably protected socialist construction and proved an instrument of the CPSU's resolute peace policy. Today, the prevention of nuclear war having become the most important task, it guarantees, as the major force of the socialist defense coalition and in loyal comradeship in arms with the other fraternal armies, the most reliable protection of socialism and serves the safeguarding of peace, the protection of our globe from an atomic inferno.

Together in the Struggle To Achieve World Class Performance

[Article by Dr Guenter Mittag, member of the SED Central Committee Politburo and SED Central Committee Secretary for the Economy; pp 903-908. A full translation of this article, under the heading "Mittag Surveys Economics, Technological Ties With USSR," is published in this report.]

[Text] About the Soviet Union's rise to a world power of the first rank and the development of the military alliance between our parties and countries. Scientific-technical and economic collaboration between the GDR and the USSR is proceeding today at vast dimensions and a high level. Special attention is paid here to the questions of collaboration for coping with scientific-technical progress, notably with the development of the key technologies. What new and higher demands are made by the joint struggle to achieve world class performance?

German-Soviet Friendship—Experienced and Shaped Reality

[Article by Erich Mueckenberger, member of the SED Central Committee Politburo and president of the GDR-Soviet Friendship Society; pp 909-917. A full translation of this article, under the heading "Fraternal Bonds With USSR Traced, Characterized," is published in this report.]

[Text] Following the Thaelmann tradition of firm solidarity and combat community with the Soviet land, the members of the German-Soviet Friendship Society are

resolutely contributing to deepening our peoples' fraternal alliance, struggling jointly for strengthening socialism and safeguarding peace through implementing the 27th CPSU Congress and 11th SED Congress resolutions.

A Great Model in Serving the Revolutionary Ideals

[Article by Victor M. Chebrikov, member of the CPSU Central Committee Politburo and chairman of the USSR committee for state security; pp 918-926.]

[Text] On 11 September we commemorated the 110th birthday of F. E. Dzierzynski, that outstanding representative of the glorious Bolshevik Guard. His distinguished life and work are treated in this article in which V.M. Chebrikov, member of the CPSU Central Committee Politburo and chairman of the USSR committee for state security, draws inferences from the work of the CPSU in the 70th anniversary year of the Great Socialist October Revolution.

The Socialist German State in the Struggle To Safeguard Peace

[Article by Oskar Fischer, member of the SED Central Committee and minister for foreign affairs; pp 927-932. Text published in East Europe DAILY REPORT FBIS-AWARE-87-222 of 18 Nov 87 pages 25-28.]

[Text] The process of fundamental changes in the structure of the political world that emanated from the October triumph is alive in the socialist peace policy of our days. In the nuclear space age the safeguarding of peace became a matter of survival for mankind. In accord with the new approach to all international problems required by it is the peace program of socialism, in the implementation of it alongside the USSR and the other fraternal states the GDR invests all its strength and makes its creative contribution.

The Leninist Principle of Peaceful Coexistence Has No Reasonable Alternative

[Article by Guenter Sieber, member of and department head in the SED Central Committee; pp 933-939.]

[Text] The development of Lenin's idea of peaceful coexistence between states with differing social orders and the struggle conducted for enforcing it as a strategic orientation by socialism for seven decades. What are the causes and consequences of the meanwhile vastly altered conditions for the efficacy and dimensions of this principle? Setting up a comprehensive international security system—a task of urgent demand at the end of the 20th century.

Lenin—Genius of the Socialist Revolution

[Article by Prof Dr Herbert Steininger, head of the Marxism-Leninism department of Humboldt University, East Berlin; pp 940-946.]

[Text] The October Revolution is inseparable from the creative application and further development of Marxism by Lenin. What does the creative character of Marxism-Leninism amount to? What high demand arises from it for the theoretical and practical work of the Marxist-Leninist parties? Through our party's social strategy we are making a contribution to the creative application of Marxism-Leninism.

On Our Party Marxist-Leninist Concept of Society

[Article by Prof Dr Otto Reinhold, member of the SED Central Committee, Rector of the SED Central Committee's Academy for Social Sciences; pp 947-953. A full translation of this article, entitled "Socialist Management, Economy Termed Essential," is published in this report.]

[Text] Our party's Marxist-Leninist concept of society, issued in essence at the 8th party congress, assumes that the shaping of the developed socialist society is a historic process of penetrating political, economic, social, and intellectual-cultural changes throughout which the social and humanistic character of socialism is to be enforced more and more strongly and perceptibly to everyone. What consequences arise from that for the further development of the productive forces and production relations, the unity of scientific-technical and social progress, and the shaping of central economic management and planning?

The SED—A Leninist-Type Party Proven in Battle

[Article by Prof Kurt Tiedke, member of the SED Central Committee and Rector of the SED Central Committee's "Karl Marx" Party College; pp 954-960. A full translation of this article, entitled "SED's Proletarian Roots, Development Sketched," is published in this report.]

[Text] Lenin's new type of party concept as a consistent continuation and further development of Marx' and Engels' party concept. How did the SED apply the new type of party principles creatively to our developmental conditions and requirements, whereby it, precisely, met its growing leadership role? About the tasks for shaping the developed socialist society as set down by the 9th party congress and the consistent continuation of this course, expressing the SED's real leadership capacity.

On the Influence of the October Revolution on the Revolutionary German Workers Movement.

[Article by Prof Dr Guenter Heyden, member of the SED's Central Auditing Commission and director of the SED Central Committee's Marxism-Leninism Institute, member of the EINHEIT editorial board; pp 961-969.]

[Text] The victory of the Russian workers, peasants, and soldiers in November 1917 had a profound influence on the development of the class forces in Germany. What inferences of principle did the Marxist forces in the German workers movement draw from the Red October and the experiences of the November Revolution for the struggle in their own country, of an importance of principle since that time to the course taken by our revolutionary party?

Labor Productivity Is Ultimately the Most Important Thing

[Article by Prof Dr Helmut Koziolk, member of the SED Central Committee and director of the SED Central Committee's Central Institute for Socialist Economic Management; pp 970-977. A full translation of this article, under the heading "Combines' Labor Productivity Increase Efforts Noted," is published in this report.]

[Text] Labor productivity is an incorruptible yardstick for linking more effectively still the advantages of socialism with the scientific-technical revolution. What tasks do our combines face for rapidly developing labor productivity at new dimensions? How is that affected by the close collaboration with the efficient potential of the USSR—particularly in the field of the key technologies? What impulses can this alliance lend to the course of the scientific-technical revolution?

Science in the Service to the People

[Article by Prof Dr Werner Kalweit, vice president of the Academy of Sciences, GDR; pp 978-984.]

[Text] For the development of science also a new era was initiated with the October Revolution. Tracing the historic curve from that world-shaking event to this day, the article deals with the fundamentally new developmental conditions for science arising from socialism and the qualitatively new social demands made on it; the scientists' specific responsibility in the struggle to safeguard peace; the role of science in the process of shaping developed socialism, the dynamic spread of the productive forces, and the consequences derived from it for the Academy of Sciences.

Successful Economic Direct Relations With Soviet Partners

[Summary of article by graduate economist Rolf Hoffmann, general director of the VEB Karl Marx Armatures Combine, Magdeburg; pp 985-988]

[Text] The collectives in Magdeburg's armatures combine have for years successfully collaborated with Soviet scientific and technical partner enterprises. Joint reconstruction of armature enterprises and a joint assignment

of groups of specialists in conducting performance comparisons led to a higher scientific-technical production and commodity level. Which management methods were used here. What is the role of annual global contracts? And how do the inter-enterprise coordination councils, composed on a party level, function?

Cultural Horizons of Our Alliance

[Article by Dr Hans-Joachim Hoffmann, member of the SED Central Committee and minister for culture; pp 989-996.]

[Text] Proceeding from the early influences of the October Revolution and the young Soviet culture and art on cultural developments in Germany, and from the cultural relations during the antifascist exile in the USSR and after the liberation, it is being shown that the wealth and variety of the reciprocal exchange of cultural achievements and of the cooperation among our countries have reached a stage after 40 years of development that has made possible the new quality of our cooperating fashioned by the 27th CPSU Congress and the 11th SED Congress, pledged as a guarantee for further cultural advances.

A Truly Great Work of Liberation

[Article by Prof Dr Heinrich Opitz, director of the philosophic science division in the SED Central Committee's "Karl Marx" Party College; pp 997-1003.]

[Text] To give human shape to the totality of social circumstances under which the people live whereby to open up for them all opportunities for the development of their personality—therein lies the basic concern of socialist humanism. Socialism has done incomparably great things for it since the victory in October 1917. What gives concrete expression to it? How does socialist humanism prove itself as real humanism in the struggles of our days?

Pacific Space for the Good of Mankind

[Article by Prof Dr Robert Knuth, director of the space research institute of the GDR Academy of Sciences and member of the GDR's "Interkosmos" coordinating committee; pp 1004-1010.]

[Text] The start of the Soviet Sputnik I opened the space age 30 years ago. Since then space has proven an inexhaustible source for the progress of humanity. Its exclusively peaceful exploration and use through international cooperation has become a compelling precept in the nuclear space age and can help solve pressing world problems like nourishment and providing energy and raw materials. What is the contribution from the Soviet Union, the GDR, and the other socialist states to the peaceful exploration and use of space? What fields are there for its pacific exploration and use?

Tracing the Truth of Our Century

[Article by Prof Dr Dieter Schiller, deputy director of the Central Institute for Literary History at the GDR Academy of Sciences; pp 1011-1019.]

[Text] As one of the great novelists of our century, Arnold Zweig is among those artist personalities whose path through life was significantly shaped by the epochal change initiated with the October Revolution. Using new data in Zweig research, the author's developmental process is traced from being a bourgeois intellectual to becoming a socialist humanist, deeply committed to the GDR. It becomes clear how deeply all his life's work is rooted in the revolutionary transformations and struggles for peace and social progress, how richly it reflects them and shapes them in the epic vein.

The Red October and the Nationally Liberated States of Asia and Africa

[Article by graduate philosopher Peter Rabenhorst, deputy department head in the SED Central Committee; pp 1020-1025.]

[Text] The upsurge of the national liberation movement, occurring along with the Red October and picking up speed when real socialism grew stronger, generated nationally liberated states that became an influential factor in world politics. What are the bases today for the collaboration between the socialist states and the liberated states of Asia and Africa in the struggle for peace, against neocolonialism, and for surmounting under-development? What experiences does the struggle convey for national and social liberation in the liberated states, and which role do the communist parties play in it?

Today's Imperialism—Potentials, Crises, Contradictions

[Article by Prof Dr Max Schmidt, director of the Institute for International Politics and Economics of the GDR, chairman of the science council for imperialism research, and member of the EINHEIT editorial board; pp 1026-1033.]

[Text] New questions arise in analyzing imperialism, the conditions for the existence of which have fundamentally changed since the Red October, in view of the existential problems of mankind, as to conducting the unavoidable confrontation between capitalism and socialism and to the peace and cooperation capability of the capitalist system. That includes examining the present domination and accommodation strategies of imperialism, the central element of which is the ever closer integration between the monopolies and the state.

05885/06662

POLAND

Army Political Staff Briefed on Soviet Restructuring, 'Glasnost'

26000020c Warsaw ZOLNIERZ WOLNOSCI in Polish
25 Sep 87 p 5

[Article by Maj Marek Sieniawski: "Discussion on Restructuring"]

[Text] In spite of being well acquainted with matters connected with the changes occurring in the Soviet Union, WP [Polish Army] career staff and military worker circles continually receive the news coming out of the USSR with much interest. As evidence of this is a meeting which took place in the WP [Polish Army] Main Political Directorate on subjects concerning the issues of speeding up and restructuring by our eastern neighbor. At the behest of the PZPR KC [Central Committee] Col Alfred Dabek, former editor-in-chief of ZOLNIERZ WOLNOSCI, who recently completed a diplomatic mission as deputy attache for the Army, Navy, and Air Force at the PRL Embassy in Moscow, was invited to participate in it. He discussed the genesis of restructuring, the essence of the changes occurring, and their results.

"The terms 'restructuring' and 'glasnost' are already well known in the world," stated Col Dabek. "These notions imply a series of concrete undertakings dealing with changes in political, social, and economic life."

Numbers in this are significant, which represents the sense or essence of the activities undertaken. For example, by the year 2000 the national income will double, which will accomplish as much as a 2.5-fold growth in work output. The population's income will increase nearly 2-fold, and every family will soon have separate housing.

As Col Dabek pointed out, the rate of economic growth in the USSR and the new quality associated with it will be achieved mainly by scientific-technological progress, intensification of the economy, changes in its structure, introducing effective forms of management, and improvement of labor organizations.

In answer to numerous questions Col Dabek emphasized that accelerating the economic development in the USSR is treated as the key to the solution of all problems. Rank, such as that given to mass-media resources, and the role of primary party and youth organizations, are significant in this.

Thanking the guest of the meeting for sharing his reflections from his visit to the USSR, PZPR KZ [Plant Committee] first secretary Col Ryszard Maluta stated that at the party organization forum, subjects presenting the changes occurring in our brother socialist country will be discussed more often.

13324/12232

**Warsaw Rectors Meet, Discuss Expansion,
Foreign Contacts**

26000097c *Warsaw TRYBUNA LUDU in Polish*
9 Nov 87 p 7

[Text] During a meeting of the council of rectors of Warsaw higher schools, president Jerzy Boleslawski reported on the assistance given by the Warsaw Capital authorities to higher schools. This assistance involves the establishment of locations, allocation of accommodations for the Warsaw University Biology Department, and so forth.

The council of rectors also discussed programs for the development of higher schools to the year 2000 and learned about plans for foreign contacts by Warsaw students. Preparations for a conference of European universities were also discussed.

9295

**Joint Ventures Forum Held, Infrastructure
Inefficiencies Viewed**

26000077f *Warsaw RYNNKI ZAGRANICZNE in Polish*
2 Nov 87 p 8

[Article by Bogda Zukowska: "A Big League Game: Forum for the Promotion of Joint Ventures"]

[Text] A favorite figure of speech used by participants in the Forum for the Promotion of Joint Ventures was comparing joint ventures to a marriage. But this simile was voiced at what at times resembled a meeting of benedicts. No one spared criticism of the Decree on Joint Ventures. But, as a Polish participant in the Forum asked, does one choose one's wife from the country with the best legislation on matrimony?

It is now 18 months since the Sejm approved the Decree on Joint Stock Companies With the Participation of Foreign Capital [Joint Ventures]. The preparations for the Forum lasted almost as long — in order that competent and well-prepared individuals could meet and talk for 3 days in October. This is an important factor in creating a favorable climate for undertakings of international scope.

The task was assumed by the United Nations Industrial Development Organizations (UNIDO), and specifically by its Vienna office and by the Warsaw Bureau for Industrial and Investment Cooperation. The PIHZ [State Inspectorate for Foreign Trade] was the co-organizer of the Forum, and patronage over the whole was assumed by the Ministry of Foreign Trade. As can be seen, considerable importance was attached to this event. Not without reason, for the underlying belief is that the adoption of the Decree [on Joint Ventures] in itself still means little. What matters most is its proper promotion, reaching the international business public. Thus it was good that this happened under the auspices of the UNIDO.

5,000 Invitations

Let us say it at once: The Warsaw Forum of Investors was a new experience to the UNIDO itself. For until recently that organization handled the promotion of investments and economic cooperation only in developing countries. Facilitating East-West economic dialogue has become possible owing to a change in the status and greater independence of that organization.

For this year the UNIDO has scheduled nine international meetings of a similar promotional nature. But the Forum in Warsaw is the first undertaking of its kind in socialist countries.

The organizers sent out 5,000 invitations to Poland's potential partners in the West and in developing countries. More than 170 foreign firms sent in positive replies. The list of guests was pretty impressive: bankers, big concerns, financial and trading corporations, and international organizations. Inaugurating the first panel discussion, Vice Minister Janusz Kaczurba encouraged "an honest exchange of views." There was no need to say it twice to the foreign guests.

Three Perceptions

The discussion was heated and, as was to be expected, not only the decree itself but the entire economic system were critically analyzed. In its "Report" the World Bank defined the Polish economy as being "large and ponderous." The participants in the Forum supplemented this with the adjective "uncertain." The opinions presented could be divided into view of "professors of law," bankers, and entrepreneurs.

This of course is a provisional classification. The first view, that of "professors of law," was represented by the American lawyer Janik Radon. His "prosecutor's address" was exceptionally brilliant and his familiarity with the Polish decree, and especially with its deficiencies, more than thorough. However, his basic premise that the best provisions of the Decree will suffice to attract the foreign investor appears to be hardly defensible.

To the average American businessman Poland is a country located somewhere between Holland and Greece, and, owing to his lack of knowledge about our country, even the most favorable of our laws pale in comparison with laws elsewhere, the more so considering that the revisions regulations governing the formation and operation of joint ventures involving foreign capital in Poland has in reality changed very little. These regulations resemble a mathematical proof based on a necessary but insufficient condition.

Actually, the greatest factor attracting foreign capital to Polish factories will be trust in Poland as a borrower. This could be ascertained by talking with representatives

of banks attending the Forum, who, together with representatives of other financial institutions, numbered 20. They included the largest banks in the FRG and Austria.

The specific nature of their profession requires of bankers that they be discreet. "No names, please," they cautioned, and then they would say a little off the record. Forum or no Forum, it is known that banker circles do not evaluate Poland's creditworthiness too highly. Quite recently the monthly INSTITUTIONAL INVESTOR published a "trust list" of creditworthy borrowers. On that list Poland is ranked 82nd (out of 109 countries). It is hardly consoling that in the last 6 months our standing was upgraded by three places and we now outrank Malawi, Syria, and Iraq.

The bankers who came to Warsaw primarily paid attention to the safeguards provided to foreign investors by the state. In their opinion, these safeguards are inadequate. The situation would be markedly improved by the signing of government agreements providing capital safeguards. So far we have such an agreement only with Belgium. It is difficult to hope for direct credit. What can be expected at most is bank financing of foreign shareholders in joint ventures, and that only for projects with a minimum of risk. Some encouragement could be provided by, e.g., the participation of an international financial institution, such as International Financial Corporation, an affiliate of the World Bank, in a project.

The IFC has granted credit of altogether US\$7 billion for the implementation of 800 projects in 80 developing countries. Poland will shortly become a member of the IFC. Director D. Gusfason, who attended the Forum, stated that "Polish efforts to reform the economy are convincing," and that he "wished that other countries too would be as open to critical analysis." The Polish side certainly relished listening to these comments. To foreign bankers they were of a different and equally "convincing" nature. They know that the IFC participates in financing, as a rule, one-fourth of the cost of big projects. Moreover, it makes available to the foreign investor the convenient form of so-called indirect participation, which reduces his risk.

A view of joint ventures with Polish industry similar to that expressed by the banks but even more pragmatic was presented by the representatives of Western companies who attended the Forum. Their evaluation had to be close to that of the bankers, since they depend precisely on the banks to finance the joint ventures under discussion. But it also was based on its own premises. It can be said that while the lawyers were perorating the men of business traveled across this country and toured the factories interested in forming joint ventures. A certain pattern even arose: the more familiar a foreign company was with the Polish market, the more pragmatic its view of joint ventures. Hence, less importance was attached to formal aspects such as the majority share of Polish capital or the citizenship of the director of the joint-stock company [joint venture].

On the other hand, two basic shortcomings were criticized: the lack of certainty about stable operating conditions and the absence of infrastructure. The businessmen I spoke with declared that guarantees of stability of the Decree's provisions in themselves mean little considering that these provisions contain references to various other decrees and acts which are constantly being revised. Moreover, stability also implies the possibility of pursuing longrange policies. This refers to, among other things, the right to reinvest zloty profits. The Decree does not prohibit this, but a circular issued by the Ministry of Finance does. Such profits may be spent on, e.g., consumption and charity. Such provisions encourage looting a company of its assets instead of engaging in a longterm investment.

Shortcomings of infrastructure were another subject of many complaints. The list of these shortcomings begins with the absence of telephone communications, runs through supply and coproduction problems (the supplies of producer goods are insufficient and not here when needed), and ends with.... Unfortunately, there is no end to these shortcomings.

Our overall conclusion from these talks is that, although a liberalization of the Decree on Joint Ventures and the streamlining of its mechanisms are indispensable, this process should not lead to the formation of economically well-off enclaves. For it would resemble a chain one of whose links is modern and of high-quality steel while the other links are rusty.

"You're doing what is needed, except that you are doing it from the wrong end," one of the foreign guests at the Forum declared with a slight Silesian accent. The joint venture, which essentially is a new and marginal form of economic activity, shall never in itself bring about economic recovery and accomplish its legislated purpose of attracting capital and technology and increasing exports. Its effect will rather be converse. Hence, reforming the economy should be begun from the other end — from the structure of industry, investments, the monetary aspect, in a word by implementing instead of merely proclaiming the economic reform. Such may be the additional, fourth view of this domestic observer of events.

Is It Worth Being a Pioneer?

Despite all the obstacles four joint ventures with the participation of foreign capital have been registered in Poland, four more have already been granted permits by the appropriate authorities, and an additional six to eight application are being processed, "favorably" as the officials say, by the Ministry of Foreign Trade. Does this mean that the criticisms presented above are blackening the actual picture? Probably not. What then has prompted foreign shareholders to assume the role of pioneers?

During the Warsaw Forum three of them shared their experience. They were: LIM, which is to complete building the Air Terminal of LOT Polish Airlines; Technodiamet, a joint-stock company of IMPEXMETAL for commencing the production of diamond drawing-dies; and CTP, a joint venture of BUDIMEX, Izolacja Enterprise, and the West German CTG Company for the purpose of manufacturing fiber-cement slabs. Besides, the management of LIM extended an invitation for holding the next Forum in the future Air Terminal. All three stressed the friendly attitude of Polish officials and their disposition to resolve in favor of the foreign shareholders problems associated with the formalities for establishing the joint-stock companies. This was precisely what these "pioneers" counted upon, and they also expected that the so-called political will [the authorities] would favor them in facilitating the resolution of more difficult problems at higher decisionmaking levels as well. And so far they have not been disappointed.

The idea of establishing joint-stock companies in Poland has also gained an unexpected ally in the large-circulation West German weekly 'STERN,' which normally is very critical toward our country. During the Forum that weekly had published the article, "Going to Poland To Make Money," which described in a very positive manner the experience of several FRG citizens who decided to establish enterprises in our country on the basis of the besides justly criticized Decree of 1982 governing "Polonia" firms [firms established by foreigners of Polish origin]. But it can hardly be assumed that the article's oft-stressed sentiment for Poland and admiration of the qualifications of the Polish worker and engineer can markedly influence the formation of major joint ventures.

Conclusions From the Meeting

The criticisms of the Decree on Joint Ventures did not reflect a kind of masochism; rather, they reflected a struggle for confidence and a proof of openness toward diverse proposals for readjusting relations with foreign partners and basing them on competitive, market-force rules of the game. At the press conference following the Forum, Janusz Kozinski, director of the Department for Organizations and Licenses at the Ministry of Foreign Trade admitted that this convention was to contribute additional arguments as to what should be changed and in what direction. "For it is by now an open secret," he admitted, "that we intend to liberalize certain provisions of the Decree, especially those concerning majority participation by the Polish side and taxation." The Decree must be competitive, not only with respect to the regulations governing domestic enterprises, because these are of little concern to the foreign investor, but also with respect to other countries desirous of attracting foreign capital. The amending of the Decree should perhaps provide an occasion for considering an expansion of its scope. For joint ventures are only one aspect of the

possibilities for capital cooperation with the West. Speaking generally, here solutions not burdened by bureaucratic habits and apprehensions about ideological purity are needed.

The "impatient ones" who were not interested in the longrange effects of the Forum also received rather good news. During the forum five so-called letters of intent were signed with companies from France, Canada, Sweden, and England. Businessmen representing 80 companies traveled along and across Poland touring enterprises interested in forming joint-stock companies. In 102 cases agreements for continued talks were reached. That was quite a lot of accomplishments for the 3 days of the Forum.

At the same time, the organizers of the Forum pointed out that 22 offers presented there were ignored. The Ministry of Foreign Trade announced that it would analyze the reasons for this lack of interest. One would hardly skirt the truth by mentioning such reasons as the excessively huge scale of some projects, proposals for the production of goods that are not competitive on foreign markets, the specific nature of certain investment projects which can be handled only by two or three companies in the world and that only on the basis of financial credit or barter rather than of a joint venture, and lastly the projects concerning high-technology transfer. In this last case both the COCOM embargo and the reluctance of Western companies to "cultivate" competitors in the socialist countries may present obstacles.

To the Polish participants, and especially to industry representatives, the Forum provided an unusually valuable and not too costly lesson on how business deals are made worldwide. Unfortunately, as regards that knowledge and the attendant skills, our industry has as much to catch up with as with respect to high technology. This is not casting blame but merely statement of a fact. It should be borne in mind that Western companies do not come to Poland in order to "close mutually advantageous deals," which exist only in communiques on official visits. Western companies come here in order to make money. This lack of experience on the part of Polish shareholders should be, at least until such time as they will rear their own experts, alleviated by close cooperation with consulting offices and the lawyers from the Center for Legal Information and Services, PHIZ [State Inspectorate of Foreign Trade]. Learning from one's own mistakes is supposedly best. But in this case it is better to avoid the risk, considering that previous mistakes cost our economy US\$33 billion.

Joint ventures and, speaking more broadly, capital cooperation with the West can yield considerable advantages to Polish enterprises and the entire Polish economy. But this is a game that requires considerable skill, and which only enterprises in the major league can play.

PRON Plays Middle Ground in Nuclear Energy Controversy

26000096a Warsaw *PRAWO I ZYCIE* in Polish
No 47, 21 Nov 87 pp 1, 8, 9

[Article by Danuta and Aleksander Wroniszewski: "All Because of Those Atoms"]

[Text] Probably the first people to learn about the hunger protest of nine persons at St. Adalbert's Church in Miedzyrzec — the first because they had learned of it several hours in advance — were the denizens of Gorzow gathered at the Cathedral to celebrate the monthly "Mass for the Fatherland." In the evening the matter was already publicized by Polish-language Western radio stations. In Miedzyrzec itself the curate did not, to be sure, let an academic deliver the address inaugurating the hunger strike during High Mass, but the notice on the church door, "Hunger Strike, 27 September-10 October, Against the Repressions With Regard to the MFR," was sufficiently eloquent to the people of Miedzyrzec. For while even the opinions on the "repressions" were controversial, here no one was underinformed or indifferent "With Regard to the MFR" (that is, the project for siting a central atomic waste dump in the post-German bunkers of the so-called Miedzyrzec Fortified Region.

The anxiety had its start 3 years ago when a PTTK [Polish Tourist and Regional Studies Society] guide had guessed the purpose of the mysterious traipsing of employees of the CHEMKOP Krakow Research and Development Center of the Mining of Secondary Raw Materials through the MFR. Semi-official denials and official silence did not stop the growth of apprehensions by the inhabitants of nine gminas in the Gorzow and Zielona Gora voivodships. The role of people's tribunes was assumed by the PRON [Patriotic Movement for National Rebirth] council activists. At the outset they declared, to avoid misunderstandings, that they are not opposed to the construction of nuclear power stations, but that they want an assurance from the authorities that the nuclear waste dump would not be sited in the bowels of the MFR until broad and thorough scientific tests prove that this will pose no hazard to people and natural environment. They offered the reminder that a part of the fortifications has become a unique habitat of bats which had years ago taken their abode in the underground corridors.

In time Miedzyrzec, the largest city in the region, became the site of an ecological commission whose activities also covered the Miedzychod, Pszczew, Trzciel, Lubrza, Lagow, Sulecin, Skwierzyna, and Swiebodzin gminas. The initiatives of the Miedzyrzec PRON were supported by similar-sounding resolutions passed by the city-gmina people's council and the party echelon. Assistance was promised by the Parliamentary Deputies from Gorzow Voivodship Fraczak and Nadowski. To be sure, in 1986

the studies [of potential dangers of the nuclear dump] were discontinued, but it was not known whether that was a tactical pause or a signal that some specific decisions were taken.

People seemed to get used to living with a vague fear, but suddenly last spring it was reawakened by flyers scattered in Gorzow and Miedzyrzec that called for protest marches on the first Sunday of every month. This worked. The flyers of 2 September were signed, "A Group of Miedzyrzec Citizens." It is difficult to say how many denizens of Miedzyrzec have wondered about the identity of the young people scattering these flyers from the roof of a food kiosk, but the militiamen certainly were interested in them. The youths, mostly from Gorzow and mostly linked to the illegal Freedom and Peace Movement, were placed in detention for 48 hours. During that time rumors that "the militia were beating them up" circulated in the city.

On 6 September many people from other parishes came to attend the mass in Miedzyrzec, and the course of their march was this time less civil. There was shouting, shoving, and interrogations. As can be readily surmised, these events elicited quite a few controversial comments.

Jozef Kozak, first secretary of the Miedzyrzec City-Gmina PZPR Committee, believes that this is no reason for rending one's garments. "The forces of law and order really displayed great tact and understanding. The illegal demonstrations have been recurring since May. Since, however, they were limited to marching on the sidewalks, the militia merely safeguarded the security of the passersby. But on 6 September there was anti-state booing and attempts were made to interfere with traffic on an international route. Therefore, law and order personnel detained 24 of the most aggressively behaving individuals; one-half of them were locals and the other half came from Gorzow and even from Gdansk and Gliwice. They will face a community court and fines of up to 50,000 zlotys apiece."

A different opinion is expressed by members of the Presidium of the Miedzyrzec City-Gmina PRON Council. Leszek Klemenczak, the council secretary, observed, "Much bad blood was caused by the preventive, as it were, advance arrests. Even before the march started, militiamen 'kidnapped' some gawkers and drove them away for interrogation. Those detained also included my two sons, one of them being a minor, Zbigniew, although their conduct in no way imperiled public order."

The PRON Chairperson Zofia Krawczyk commented, "I was watching the demonstration from a window. There was tugging and booing when mufti-clad militiamen tried to pull out of the crowd previously identified individuals. Passersby made comments about the certainly far from civil activities of the forces of law and order. Hence, in the letter sent by our Presidium to General Kiszczak, we characterized the behavior of both

parties as 'mutually provocative.' We also informed General Jaruzelski and Chairman Dobraczynski about the events of 6 September."

A copy of the letter to General Kiszczak was shown on 18 Sep by Colonel Lech Kosiorowski, chief of the Gorzow WUSW [Voivodship Internal Affairs Office], to participants in the plenary session of the Voivodship PZPR Committee. Commenting on both the letter and the events, he stated, "Elementary school children are being involved in the demonstrations in Miedzyrzec. During the last demonstration a gas mask was put on a 12-year-old, and this stunt was to attract the public's attention. In addition, traffic on the thoroughfare was blocked. Several demonstrators lay down on the roadway. Removing them was not a provocation but a duty of the militia. We don't forbid people to walk on sidewalks, but we shall always intervene in the event of a public disturbance, an illegal blockage of traffic on an important artery."

Col Kosiorowski's opinion was communicated to the broader public not earlier than on 1 October; by that time, however, attention of the denizens of Miedzyrzec was primarily focused on the hunger strike and the community-court trials.

The small room of the community court on the first floor of the Miedzyrzec City Hall accommodates barely two rows of chairs. Priority in seating is given to the family members of the defendants as well as to official representatives — two observers from the Episcopal Curia and one from the WUSW. We succeeded in sneaking in, but our incognito was rapidly unmasked. After my press card was checked, Presiding Judge Krystyna Kaczmarek allowed notetaking, on condition that she be subsequently shown the notes. "They might be tendentious," she explained her unusual demand.

Defendant Feliks Polonka fortunately caused no problems by his behavior. He admitted that on 6 September he had proceeded to St. Adalbert's Church together with other housing-project tenants opposed to the atomic waste dump.

There was no need to show him parts of the film because he had already seen himself in it the previous day during the trial of two other members of his family. He also relinquished his right to cross-examine the witnesses, militiamen. He was already familiar with their testimony. He claimed that he did not know that the demonstration was illegal. He admitted that there was a large number of militiamen, but all he had heard was the summons for keeping peace and staying away from the roadway. He had therefore been quietly walking on the sidewalk.

Feliks Polonka's counsel roiled the smooth course of the trial by claiming that his client's participation in the illegal demonstration was prompted by a feeling of personal peril. The presiding judge assured the counsel that she also was familiar with the text of Article 16,

which however is not applicable to this case. She argued that it would be another thing if the defendant had seen a truck carrying nuclear waste proceed on the roadway and people fall en route. Actually, it has not yet been decided whether the nuclear waste would be sited in the area, and as for legal protests they can be made through the mediation of the PRON.

The next defendant, Marek Biernat, a graduate student at the Medical Department of the Poznan Medical Academy, attributed his being a banner-carrying marcher to precisely the ineffectiveness of the activities of the PRON. In this connection, he stressed that the activists of that Movement themselves were complaining about this situation in the weekly 'ZIEMIA GORZOWSKA.' His attempt to demonstrate to the witnesses that they were not credible because they were unfamiliar with the writing on the banner definitely worsened his position.

The presiding judge lost her patience. "The witnesses were not there in order to memorize the slogans on the banners. Besides," she emphasized, "the nature of the slogans is not what matters in this case; the point is that the demonstration was illegal, which the accused should have been aware of."

Marek Biernat facilitated the prosecutor's task by declaring that he would not have withdrawn from participating in the demonstration even if he had known that it was illegal.

The community court "priced" Marek Biernat's guilt at 30,000 zlotys and Feliks Polonka's at 10,000 zlotys in fines.

Biernat's mother reminisced, "This is the first time Marek has suffered for the [MRF] bunkers; he had first toured them when he was 6.... These bunkers have always seemed somehow sinister to us. Mysterious tales circulated about them. But no one had expected that years later, when their walls became partially disintegrated by time and water, they would become even more menacing."

From the community court to St. Lawrence's Church the distance is barely a few score meters. For several days now the walls of that church have been covered with a growing number of slogans, posters, and announcements. Posted on its door is a declaration of the hunger strikers with their signatures.

The first three names on the list are quite well-known in Miedzyrzec, for Hanna Augustyniak is a teacher, Wladyslaw Biernat is the director of a local health care laboratory, and Stanislaw Bozek of Kuznik near Miedzyrzec is a major vegetable grower and one-time deputy chairman of the Solidarity of Private Farmers. Three other farmers also are participating in the hunger strike: Wladyslaw Zajac and Jozef Gonczarski of Gorunsk and Jan Witczak of Bukowiec, as well as

Andrzej Kolakowski, a student at the Catholic University of Lublin, and two inhabitants of Swiebodzin — Bozena Sieciechowicz and Wieslaw Zaliwski.

From behind the door bearing the plaque "Oratorium" a clamor of voices is heard. The hunger strikers are being visited by their families and friends as well as by nuns. Stanislaw Bozek introduces Hanna Augustyniak. "She is our leader." But the "leader" clearly has no desire to talk.

She has probably had a difficult day. The school authorities, as we had heard earlier, are not, to put it mildly, enthused by the fact that an employee of the school system who is absent on sickness leave is deliberately worsening the state of her health by going on a hunger strike, and away from home at that. For the others, chiefly farmers and young people, the situation is not as complicated. And as for Wladyslaw Biernat, he simply took a leave due him.

Hanna Augustyniak still did not react to the prompting by Stanislaw Bozek, and Bozena Sieciechowicz voiced her anxiety over our being biased in reporting on their protest. It was the peasants who were the least suspicious toward the press. Unfortunately, both farmers from Gorunsk had taken the day off because of the potato-digging season. Fortunately, Jan Witczak planned to take the day off for the same reason later, this coming Saturday, and did not refrain from giving an interview.

He declared with an unconcealed accusatory tone to his voice, "This is the fifth day that we are on a hunger strike and no one has come to talk with us yet: we notified the Mayor, the people's council, the PRON, and also the Sejm and the Council of State, but they did not respond at all. After all, the people's council could have supported us. When he is in his cups, the average member of the of the people's council may grouse even more bitterly than we about the nuclear waste dump. But when he officially attends a council session he does not even let out a whimper about an issue of such concern to the people. We are neither hooligans nor parasites, so why should we be feared? We all work. I am already 63 years old and do not fool around. My belief is this: if our authorities also fear that nuclear waste dump, they should join us in our struggle, but if they think that we are wrong, they should explain to us the reasons why, because then we might be unnecessarily worried...."

Stanislaw Bozek protested against linking the strikers to the Underground. He points to the walls, "Just show me any of these slogans that is political, anti-government. The truth is that our possibilities for legally demonstrating against the nuclear waste dump are nil. The PRON will not organize any such rally. We wanted to establish our own association, but the Mayor would not permit it. No one has permitted us, private persons, to stage a demonstration march. We are aware that there exist other ways of expressing one's opinions and protesting, but they are ineffective. This is demonstrated by the

collective petitions that the PRON has been organizing already for 2 years now. We are being accused of protesting against decisions that have not yet been taken. But experience teaches that once the decisions are taken they become irrevocable."

The hunger strike and the preceding events are placing many so-called responsible individuals in a sticky situation. First, there is the parish curate whose objection to the protest consisted in tearing off a couple of posters whereas a more resolute attitude could have swayed the private farmers among the hunger strikers, who are parish activists, and perhaps also quite a few parishioners.

Andrzej Stachowiak, the mayor of the Miedzyrzec City-Gmina, does not even try to conceal his awareness of the hunger strike. The windows of his office face the facade of the church. Besides, he has received letters from hunger strikers who, incidentally, are aware that the siting of the waste dump is not up to him. No one had asked him for a demonstration permit. But as for registering the association of MRF lovers, he had deemed it inexpedient, because both the bunkers and the bat "reserve" already are being maintained by the PTTK and the Ecological Commission of the PRON and anyone wishing to do so can join in the activities of these organizations.

Andrzej Stachowiak admitted that there is at present in Miedzyrzec no issue of greater concern to the public than the MFR. "Opinion is divided among councilmen as well as among party and nonparty members. But I am not aware of any advocates of the nuclear waste dump.

"The division into 'pros' and 'contras' runs solely between those who support and those who are opposed to the continuation of tests of the suitability of the MRF bunkers as a dump for the storage of radioactive wastes. The opponents believe that the 57 million zlotys already spent on these tests are a waste and there is no sense to throwing out any more money on this purpose. The proponents, among whom I count myself, insist on continuing these tests solely because of their belief that they will once and for all demonstrate the unsuitability of the bunkers for this purpose and the resulting findings could be some day useful for some other purpose. The suspension of the tests and the absence of any official decision are causing uncertainty and feeding rumors. People are stopping me on the street and lurking in wait for me in my office. I have been living here since 1945 and I am acquainted with nearly every resident, and nearly they all know me. I feel the same apprehensions as they.

"That night I had not slept a wink. The day before the Chairman of the State Nuclear Energy Agency Mieczyslaw Sowinski met with the Miedzyrzec aktiv. On one hand, he shook our current feeling of security by showing us a map dotted with sites of nuclear power stations. The nearest, in the GDR, is 100 kilometers away from us. On

the other hand, he consoled us by assuring us that the site for the storage of moderately radioactive wastes must be approved not only by many Polish experts, the Polish Academy of Sciences, the Ministry of Environmental Protection and Natural Resources, and the Planning Commission, but also the International Nuclear Energy Commission headquartered in Vienna. He also declared that two fundamental requirements must be met: a seismically quiet area and one lacking... water. Now precisely the presence of numerous rivers and lakes in our region, as well as of the water in the bunkers, is the public's main argument against the nuclear waste dump. But what if it turns out that where we laymen perceive an abundance of water, nuclear experts perceive its absence?"

The contacts between the Miedzyrzec public and nuclear experts can hardly be considered frequent and successful. To be more exact, there had been only one meeting, on 17 January 1985, with members of the nuclear energy community, and it resulted in a defeat to both sides. The PRON activists who had organized that meeting regret their decision to this day. For they had counted on a calming effect of the meeting, whereas the converse turned out to be true. Janusz Domalski believes that it was precisely that meeting which had caused the Miedzyrzec time bomb to start ticking. The public had prepared itself for the discussion and read all the available professional literature before coming to that meeting, but the scientists concentrated not on arguing their case but on demonstrating their superiority and the ignorance of the audience.

Andrzej Stachowiak said, "At the time there was a dearth of goodwill and civilized discussion on the part of both sides. I noticed that the nuclear experts were surprised by what they thought to be an exaggerated fear of nuclear power stations by the average citizen. But has anything been done to prepare the public for their acceptance? To this day television provides us, on the occasion of various anniversaries, with pictures of atomic bomb explosions over Hiroshima and Nagasaki and [the media] terrify us with the specter of nuclear annihilation. Following the Chernobyl Tragedy, which has caused many of us to feel menaced by even 'the peaceful atom,' we read reports on successive breakdowns of nuclear power stations in Western countries. Chairman Sowinski has now explained to us that such minor 'usual' breakdowns hardly count."

Jozef Kozak, first secretary of the Miedzyrzec party echelon, commented, "The exaggerated fears of our population were undoubtedly also influenced by the activities of individuals from the 'Freedom and Peace' Movement. I find it hard to believe that the fighters for environmental purity from Gdansk or Gliwice are blind to the presence in their own regions of ecological problems that are often greater than our own here. The fact that the authorities have been showing understanding in their treatment so far of even illegal protests does not mean that we will allow Miedzyrzec to become a place

for a 'demonstration of strength' by the Underground. It was announced that on Sunday the hunger strike will end and there will be another street march. Hence, we are engaging in political propaganda at plants and factories in order to make people realize that there exist legal ways of expressing their opinion and warn them against the danger of a provocation."

Jozef Kozak did not conceal that the course of these [propaganda] meetings may have been very tumultuous.

A more subdued mood reigns at the the top floor of the Miedzyrzec City Hall, in the offices of the City-Gmina PRON Council. When its members first began to handle 'the MFR Affair,' they had thought that tackling this important and difficult social problem was a way of adding credibility to the Movement, enhancing its authority, and winning sympathizers.

"Ultimately, however," Chairperson Zofia Krawczyk said, "we began to feel that the Affair grew beyond the ability of one salaried employee and several volunteers to cope with it. We requested assistance from persons with greater possibilities, influence, and personnel. But our requests proved ineffective. Once the flyers and announcements of the demonstration appeared, we asked Poznan Television to come. The TV crew produced a program at which end we declared that we are not the authors of the flyers and appealed to the public to refrain from participation in these demonstrations. The date for broadcasting the program, originally scheduled for 27 April, has already been twice postponed. Ultimately, the Miedzyrzec public was able to view it only after 11 days since the first demonstration. We were even more surprised by an article authored by the executive board of the Miedzyrzec party echelon which had appeared in the bulletin of the Voivodship PZPR Committee and stated that the original cause of the illegal street marches was "the natural defense reflex of the public in face of the ecological menace, a reflex constantly reinforced by the local PRON, the mass media (the central press, Polish Radio Zielona Gora), and also certain scientists."

Janusz Domalski, deputy chairman [of the PRON council] decided to admit what is hurting him most: "In remaining till the end loyal to the authorities and resolutely dissociating ourselves from the demonstrations, we forfeited our authority among many 'old' citizens. When last April we had finally succeeded in meeting with First Secretary of the Voivodship PZPR Committee Wiktor Kinecki, we were given many promises. Not one was kept. Last May there was to be held a field session of the Environmental Protection Committee of the Voivodship People's Council. It was canceled. Parliamentary Deputy Kazimierz Fraczak was to arrive. He did not arrive. Even the session of our [Miedzyrzec] people's council, which was to be attended by PRON activists, was canceled without explaining why."

When, however, the events defined by the authorities as disturbances of public order had taken place, the approach to the MFR Affair changed immediately. On 11 September Deputy Minister for Environmental Protection and Natural Resources Krzysztof Zaremba arrived in Gorzow. Apparently he even toured the bunkers. On 29 September Minister Stefan Jarzebski answered a [related] question asked by Parliamentary Deputy Malgorzata Niepokulczycka of, it is worth noting, Gdansk rather than Gorzow voivodship. On 23 September in Miedzyrzec appeared two major representatives of the State Atomic Energy Agency, Maciej Hamara and Wieslaw Zak. And a week later the Chairman of the PAP Press Agency himself, Dr Sowinski, had come.

Normally a Sunday afternoon is a time of calm relaxation and spiritual serenity. On that Sunday the sun was so warm that, although it was October, the thermometer showed nearly 20 degrees Centigrade. Starting at dawn, mushroom hunters appeared in the Miedzyrzec woods, but at the same time uniformed men appeared at approaches to Miedzyrzec. The mass was ended rather a bit early, and the parish curate did not preach a sermon, confining himself instead to reading a communique on a conference of the Episcopate. The faithful left the church, but they did not scatter. The little crowd grew and solidified. It waited. The hunger strikers, now shaved, with a festive look on their faces, joyful, emerged from the church, holding bouquets of white and red flowers. They greeted their acquaintances and friendly strangers. In response there was applause, probably by an organized group.

A banner was unfolded with lightning speed. A seemingly chaotic handful of people suddenly became the head of the marching crowd. They marched. A moment later a van with a loudspeaker blared a warning that the demonstration was illegal and participating in it meant legal consequences.

The demonstrators passed across a square and crossed a street at a pedestrian crossing. A militiaman halted vehicular traffic for a while. People gathered at street corners applauded. A militia van slowly advanced on the roadway, just ahead of the marchers, who now proceeded in three columns, with the main column, the one carrying banners, advancing on the sidewalk to the left. From time to time the marchers shouted, "We want to live." The second column, without banners and without shouting, proceeded in a stream of similar size on the other side of the street. The third column snaked around housing-project blocks.

The march ended at a housing-project parking lot. Stanislaw Bozek and Hanna Augystyniak thanked the crowd for its participation and support. They were in a hurry to proceed to the nearby Rokitno in order to place there a posary in front of the local image of the Virgin Mary.

A reporter from the Warsaw TV center stopped the demonstrators to interview them. The information and the opinions which they, mostly persons 25 to 45 years old, communicated to him were not in the least iconoclastic. The impression is produced that the denizens of Miedzyrzec have learned by rote the facts and arguments presented by the press. Yet it was the reporters who quoted the answers of the Miedzyrzecans.

The local press garners no praise, however. For a long time it made no mention of what was happening. Ultimately, when it did, it blamed the PRON and the Freedom and Peace movement for the demonstration. The authorities surely believe that if nothing is said or written about the waste dump we are bound to forget about it.

A man with salt and pepper hair joined in the conversation, saying, "We had thought that at least at those open party meetings we would be told about the results of the recent visits by the Warsaw reporters."

Not one among those gathered had cited the opinion of the chairman of the State Nuclear Energy Agency, as expressed in boldface in an interview published in the current Sunday edition of 'GAZETA LUBUSKA': "No decision has been taken. Miedzyrzec is not the only place we are considering. An unthinking protest without an exchange of arguments cannot suffice. But we will not impose ourselves on others by force either."

If such statements have not had a calming effect then perhaps the Mayor and the party secretary were right in declaring that even the most valid arguments will not work if they are provided too late.

Similar apprehensions also are felt, besides, by members of the PRON Voivodship Council. Alfred Gmerek, the Council secretary, said, "We want to raise with the central authorities the issue of the waste dump without delay. To be sure, the organized 'Group of Miedzyrzec Citizens' has announced a suspension of its activities during the fall-winter season, but we believe that the persons responsible for this matter should not also go into hibernation."

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More Polonia Investment Requires Bureaucratic Attitude Changes

26000098c Warsaw ZYCIE GOSPODARCZE in Polish
No 44, 1 Nov 87 p 7

[Article by Krzysztof Plesinski: "I Would Like To but I Am Afraid: Foreign Capital in Poland"]

[Text] Foreign-owned enterprises have been operating in Poland for 10 years now. Regulations permitting the formation of joint ventures with the participation of foreign capital have been issued more than a year ago. It

cannot be said though that we have succeeded in exploiting the existing opportunities, in view of the limited participation of foreign-owned small enterprises in our economic life and the merely symbolic commitment of foreign investors to joint ventures with Polish partners. So far, the policy toward foreign enterprises has been obstinately based on, so to speak, the method of successive approximations to the actual Polish economy, as well as on the method of trial and error, despite the fact that some of the steps taken in the not distant future have harmed our national interests.

This last statement is no exaggeration. First, because the opportunities for economic revival harbored in the influx of foreign capital have not been fully exploited, and second because a situation was brought about in which a large part of our compatriots who are scattered all over the world have lost trust in Poland as a place for engaging in stable and advantageous economic activity.

The losses due to our obstructive attitude toward foreign investments are readily conceivable. Suffice it to compare the treatment of emigrants and approach to their economic initiatives in, for example, China and Poland. But as for the extent of our further losses in the event that our approach to cooperation with foreign capital, and chiefly with the Polonia [foreigners of Polish origin], does not change, it seems that most decisionmakers and officials do not realize it.

6 Million Polish Families

Nearly 6 million families who have declared their Polish origin live outside Poland's boundaries. Ninety percent live in the capitalist world, in the economically most highly developed countries.

In the United States alone, in the periodic census, 8.2 million people have defined themselves as Poles or as Americans of Polish origin—and these figures date from 1980, that is, from a year which was followed by another wave of Polish immigration. Thus, Poles are, after Englishmen (49.6 million), Germans (49.2 million), Irishmen (40.2 million), Afro-Americans (31 million), Frenchmen (13.9 million), Italians (12.3 million), and Scots (10 million) the eighth largest ethnic group in the United States. At the moment their economic position is quite good and they are prone to engage in economic activities both at home and outside the United States.

Certain segments of the older Polish emigre generation have gained admittance to big- and middle-business circles. Representatives of the emigre generation of the 1940s and subsequent years also are doing quite well, but their greatest successes have been scored in the "intellectual" domains—it should be borne in mind that they include a considerable proportion of the intelligentsia. American universities employ several thousand Polish scientists, and there are even more lawyers and physicians.

If it also is considered that the Poles who had arrived in the United States in the 1980s (a considerable number of artists, scientists, and persons with higher educational background) have already succeeded in settling down to a quite comfortable mode of life, it should be realized that the economic potential of the Polonia is quite substantial.

The most conservative estimates indicate that the average annual income of Polish families living in highly developed countries is US\$15,000-20,000. (Although those of our compatriots abroad whom we expect to be most interested in investing in Poland attain incomes that sometimes are multiples of these figures.) Thus, the aggregate income of Poles abroad is of the order of US\$75-120 billion annually. The accumulated savings of the Polonia lie at about the same level, although it can be assumed that they are much greater. In this case, however, only the lower statistical limit of average annual incomes was taken as the yardstick.

The greater part of the financial assets of Polish families living abroad is in the form of real estate, securities, and bank accounts. Some part of that capital is, in its turn, invested in income-yielding manufacturing, commercial, and service enterprises. It is estimated that Poles own about 50,000 enterprises, chiefly in the most developed countries. Several hundred of these are medium-sized and big companies (the term "medium-sized" is, however, interpreted somewhat differently than in Poland where enterprises of this kind are grouped in the "large" category) capable of establishing quite independent economic contacts with Poland.

If thus just a part of that capital, say, 5 percent, which would not impair the economic existence of Poles abroad, were to be utilized, this would mean attracting US\$4 to 6 billion in capital to Poland. Moreover, under exceptionally favorable circumstances, it would not be completely infeasible to transfer to this country certain funds deriving from current incomes of the Polonia. Assigning as little as 2 percent of these incomes for investments in Poland would mean a total of US\$1.5-2.4 billion each year.

Absence of a Coherent Policy

Unlike many other countries, such as Italy, China, or Ireland, Poland lacks a coherent concept of the economic commitment of emigres to activities in the country of their origin. This is because the regulations governing foreign small-industry enterprises cannot be considered sufficient. And even if these regulations are viewed from their best side, practice leaves so much to be wished that, who knows, the overall outcome might have been better if we had not gained such sorry experience with the so-called Polonia firms. The economic effects of these firms have proved commensurate to the propaganda defeats and psychological losses we incurred owing to the instability of our policy toward them.

The weakness of Polish solutions regarding cooperation with foreign capital has already often been discussed and written about—in 'ZYCIE GOSPODARCZE' too. Just one reminder: the basic reasons for the attendant irregularities are the absence of mechanisms assuring a higher profitability of investing in Poland than in other countries as well as the limited possibilities for the transfer of foreign-exchange profits abroad and the instability of legal solutions which results in distorting the operating practices of foreign enterprises. This view is being expressed not just by the interested parties; its validity is demonstrated by the following figures: in this country joint ventures with foreign capital are generally taxed 10 points higher than anywhere else, and the withheld percentage of profits from the sale of foreign exchange also is higher.

Complementing this hardly encouraging picture of Poland as a place for capital investment is the, as it were, dual treatment of foreign investors, who have been divided into two categories: those who have been active in Poland by virtue of the 1982 Decree on Foreign Small-Industry Enterprises, and those authorized to avail themselves of the provisions of the 1986 Decree on Joint-Stock Companies With the Participation of Foreign Capital [joint ventures]. In this way, a large number of entrepreneurs have been denied the possibility of utilizing more efficiently and modernly their assets and experience.

The purpose of such a division is incomprehensible, and it is just as incomprehensible why the Polonia companies already operating in our country should be denied the possibility of establishing ties with the nascent influx of foreign capital and availing themselves of the provisions of the more advantageous 1986 Decree. After all, only intersubsector economic ties can assure a truly effective utilization of foreign investments.

Likewise, the Polish solutions with respect to the so-called joint ventures are not at all more advantageous than those devised in even the other socialist countries. Thus the added complication of the entire problem and the continued undermining of confidence in the stability of our policy toward foreign investors become even stranger. And yet our opportunities could be magnified in a relatively simple manner—it would suffice to propose to foreign investors a longer tax-abatement period, say, 5 or 6 years.

Arouse Interest

Properly speaking, one should ask why is it that, since such is our reputation as regards "hospitality" toward foreign capital, despite everything some 700 Polonia firms have arisen in Poland and now (to be sure, as yet very slowly) joint ventures with foreign partners are beginning to appear? Could it be that the complaints about imperfections in our system for cooperating with foreign capital are exaggerated and too alarmist?

Unfortunately this is not so, and the fact that such cooperation exists at all merely justifies the opinion of all those who would like to reduce our foreign economic relations solely to the concept of exports and imports and thereby prevent more significant changes in the economic legislation relating to foreign contacts. Fortunately now, following announcements of major changes in the approach to problems of economic effectiveness and initiative, an opportunity for overcoming such tendencies is arising. It may be that now also and finally a healthy and unprejudiced approach toward eventually interesting the Polonia in economic activity within Poland will begin to be adopted.

It appears that the first and fundamental step in the direction of increasing foreign investments in this country should be a definite restoration of confidence in Poland. The simplest thing that can be done in this case is equalizing the rights of all the foreign enterprises active in this country and assuring the continuity and inviolability—with the exception of revisions in favor of foreign investors—of the applicable regulations. Specifying, for example, a 20-year period of total non-intervention in the activities of foreign capital in our country could produce positive results and would really not be costly at all.

In addition, our legislation in this respect should be compared with analogous legislation in other countries and adapt from it the solutions most favorable to foreign investors. Only then would we become an attractive partner, and only then specific ways of attracting foreign capital, including Polonia capital, could begin to be considered.

The subsequent activation of proper mechanisms need not be so difficult. For we could successfully avail ourselves of the experience of other countries which have been effectively utilizing for many years so-called ethnic capital originating outside their frontiers. It can be practically guaranteed that, once a good and effective economic cooperation with emigres as well as with other foreigners is established, the influx of capital to Poland will be more rapid and abundant.

Act Concretely

In principle, all the solutions to be adopted with the object of attracting foreign capital to our country lie in the organizational and legal domains. In this case we need to make practically no outlays; the only thing that is needed is a fundamental change in the mentality of economic decisionmakers and officials. For really is there need for anything more than bold thinking in order to create, for example by emulating the Bank of China, a network of Polish banks abroad that would service Polonia customers and operate with their assets—by investing them in Poland as well? Equally simple seems to be the abolition of existing restrictions which cause foreign Poles to have practically no interest in bringing their money into Poland. After all, for example, why not

permit the ownership of real estate in Poland by citizens of other countries (under a perpetual lease), the transfer abroad of interest on capital deposited in Polish banks, or lastly a profitable [to foreign investors] return on economic activity?

The already existing foreign enterprises could be converted to joint-stock companies and Polish banks abroad could issue securities, with the capital thus obtained being invested in the expansion of these enterprises. It should be possible for Polish enterprises to issue bonds denominated in foreign exchange (and partially backed by the state) and sell them among the Polonia. In addition, substantial funds could be obtained by activating a mechanism that makes possible intersubsector ties, for example, joint crafts ventures with Polonia firms, other foreign investors, and the socialized sector.

It would not be so difficult either to harness Polonia capital for projects organized and partially financed by the World Bank. That would be all the easier considering that our good intentions would then be guaranteed, as it were, by an institution that enjoys great worldwide confidence.

Lastly, cooperation on third markets with those numerous Polonia-owned enterprises would be worth a try. For example, the idea of forming joint enterprises in other countries between our construction exporters and Polonia-owned construction companies does not seem unrealistic.

There also exist other possibilities for an actual profitable cooperation with foreign capital, but utilizing them requires passing from words to deeds. This is being encouraged by both the assumptions of the second stage of the economic reform and the recent comments of representatives of the highest state authorities.

An attempt to develop more specific measures with respect to foreign, and primarily Polonia, capital has currently been undertaken by the 'Polonia' Society for Liaison with the Polonia Abroad. Under its auspices there has arisen a kind of lobby consisting of representatives of economic life (including foreign investors), economists, and representatives of the mass media who are genuinely interested in applying the reform. A taskforce for ethnic capital has been formed, and it set itself as the goal drafting proposals for changes in our economy and legislation with the object of proper and finally substantive action to promote cooperation with foreign capital.

This lobby is now looking for an appropriate and competent addressee to whom to transmit its recommendations—an addressee who would support the presented idea not just verbally as in the past but concretely, and who would actually bring about the exploitation of the latent possibilities.

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Prereferendum Article Notes Farmers' Opposition
26000098a Warsaw *CHLOPSKA DROGA* in Polish
15 Nov 87 pp 2, 3

[Interviews with farmers: "What Farmers Think of the Referendum?"]

[Text]

Apolinary Getka, farmer of Laskow Village, Dabrowka Gmina:

Everyone would be in favor if they could be sure that things will indeed improve after those 3 years. But I find it hard to believe. This may be only promises, and then things will get still worse. Those who are well-off will accommodate themselves to these [food price] increases! But I have five children. Even now I toil till late evening. My father left me a neglected farm and I had to build cattle stalls and a house and repair the barn. I supplement my earnings by working as a carter. For years I have been dreaming of buying a tractor.

I will vote. One is fed up with all this chaos. Perhaps something will change in this country. Maybe. If this succeeds, the people will be grateful to the government. In the end what matters is that the folks would believe the authorities.

Polikarp Jozwiak, farmer of Laskow Village, Dabrowka Gmina:

I don't know whether I will vote. I don't know about those questions. I don't read much, and I don't watch the telly. I come home exhausted from working in the field and sleep like a log. My son will surely vote. He knows everything. His life is just beginning.

A farmer of Rybno Village, Wyszkw Gmina:

One has to vote; this is a civic duty. As to whether this will help or not, real life will show. Urban [the government press spokesman] declared on television that those who had ruled earlier are now gone and the new ones who came in their stead mean well. A surgeon knows what he is doing, and so does the government. What matters only is that these [food price] increases be not so sudden. This way one can become inured to them. I believe that everyone in the village thinks that way too. As for the reform, I am not that interested in it. It is my job to milk cows, deliver milk, and figure out whether this pays me.

Stanislaw Wrobel, farmer of Gulazewo Village, Wyszkw Gmina:

I'll vote. I'll answer yes to both questions. I only fear that these price increases may be too drastic. I wish they could be spaced out, introduced gradually. I think that the average citizen will feel them keenly, and they will affect most the smaller farms and poorer people.

The reform is necessary. We have no other way out. I read much and orient myself about these matters. The economic situation is forcing radical measures on us. The present situation cannot last any longer. That is why something must be done, risks must be taken.

To the farmer the reform means producing at a profit. Nowadays all farmers believe that the prices of machinery are too high in relation to farm products. The farmer will believe in the meaning of the reform only when it swells his wallet.

Jozef Tyszka, farmer of Krusze Village, Kolaki Koscielne Gmina:

If everyone in the village votes, I'll vote too. But our influence will be limited and those at the "top" will anyway do what they want. Were I certain that things really will get better after those 3 years, I would patiently suffer. I think that is how others feel too.

I know little about the reform program. It is not readily understood by the average man. But I am convinced that the reform is needed; there is no other way out for us. The present situation is just too vexatious for me: all those queues in front of places selling fertilizers, pesticides, coal. If I could buy them all without any trouble, that would be the real reform to me. There is nothing more I need.

Henryk Saniewski, farmer of Indy Village, Kolaki Koscielne Gmina:

The farmer always gets a raw deal. Just consider how the prices of machinery are rising. People in the countryside are patient, but their patience is becoming exhausted

Kazimierz Lebuda, farmer of Kossaki Borowe Village, Kolaki Koscielne Gmina:

I'll not vote. It is unbearable to me that prices are so high and now will be yet higher. I have fewer than four hectares of land. For years I have been working hard for the gmina cooperative, unloading sacks of cement, lime, and fertilizer. Then I implore the salesgirl to sell me 15 dkg of sausage, because I lack a ration coupon. On 1 November I slaved all day without having anything to eat. Hell, what kind of life is that! I am not afraid of your writing about it. Things won't get any better. How can they be better when in so many institutions there are three blue-collar workers to every 20 clerks?

As for that reform being mentioned so much on television and in newspapers, a simple man does not understand it. So how can I vote for something which I don't understand?

A farmer of Krole Village, Rutki Gmina:

I don't know yet whether I will vote. If most people in the village do, I will too. I have 30 hectares of land. Today I came to pick up nitrogenous fertilizer from the gmina

cooperative. This is one p.m. and I have been waiting since 0700 hours. I have already paid for it yesterday, and I am now waiting to pick it up. I wanted to buy three tons, but I got only one-half of that approved. As with everything else. There is no gasoline at the CPN gas station for the second week now. People are queuing up for it at night. Please put it in your newspaper that they should not at least raise the prices of gasoline.

Maria Ramotowska, secretary of the Rutki Gmina Office and chairperson of the Gmina Committee for the Referendum:

Much depends on the course of the rural meetings. They will be attended by Gmina Office employees and party activists. At these meetings we will not only discuss the validity and expediency of the referendum but also, and above all, we shall tell about the implementation of the recommendations and desiderata of voters announced during the elections to the Sejm and people's councils.

We are not going to the society with empty hands. We have repaired and modernized many roads, commenced building the Rutki Gmina Common School, and built several stores and rural clubrooms. We could not implement some other suggestions owing to objective reasons. For example, we could not find anyone willing to build a sewage treatment facility at the Mezenin Dairy, we have been waiting a year for the culvert pipe we had ordered, and we lack funds for connecting 17 villages to the telephone network.

People in our gmina will take part in the referendum even though today the gmina chief was visited by a village head who threatened that the farmers would not vote because telephones in his village are not working.

1386

Wasteful Production Practices at Nowa Huta Described

*26000091b Krakow ECHO KRAKOWA in Polish
19 Oct 87 pp 1, 2*

[Article by (ml): "Good Steel Is Needed" subtitled "How To Modernize the Steel Plant?"]

[Text] "Our steel industry is improbably wasteful." This statement by Professor Wladyslaw Dobrucki inaugurated the discussion last Friday at the Krakow Town Hall concerning the directions of modernizing the Lenin Steel Plant. For each ton of steel produced we consume twice as much energy as in the other developed countries, and the labor productivity per steel plant employee is less than one-third as high as anywhere else in Europe. Why does the steel shortage continue although Poland is the world's eighth or ninth biggest steel producer at present? Because our steel is of a fatally low quality (corroded pipe has to be replaced after a couple of years of use, and as for car-body sheet steel, the less said of it the better);

because obsolete metallurgical technologies and steel-treatment techniques cause losses reaching 20 percent of overall output (the efficient and modern plastic treatment of steel, widely employed elsewhere, is barely in its infancy here, although its theory has been worked out in detail here and Polish achievements in that theory are respected throughout the world); and lastly because construction in this country is unusually steel-intensive (large plates).

Moreover, the range of our metallurgical products is limited; we still have to acquire quality products abroad at high prices in hard currencies. The professor ended his address by declaring, "Let us modernize our steel industry and improve the quality of steel—then the steel shortage will disappear and moreover environmental pollution in Poland will be cut in half. Quality rather than quantity should be the goal—to think of increasing output at present by means of the traditional technologies would harm the economy."

All these general comments also concern the Lenin Iron and Steel Plant. In their turn, representatives of the plant's management presented a modernization program that is largely oriented toward environmental protection: sealed production premises, closed circulation of water, reduction in dust emissions to 17,000 tons annually (from the present 61,000). The modernization is scheduled to be completed around the year 2005.

But such a long period of time is not satisfactory to the public and the authorities of Krakow, not even when it involves such a marked reduction in dust pollution. The Director of the Environmental Protection Department Bronislaw Kaminski declared, "Our condition: a maximum of 10,000 tons of dust annually?"

1386

PZPR Initiates 'Control Groups' To View Housing Construction

26000097b Warsaw TRYBUNA LUDU in Polish
9 Nov 87 p 7

[Text] At the initiative of the PZPR, an inspection of construction enterprises and building sites was begun in Warsaw and Warsaw Province.

In accordance with the inspection program, which was prepared by the Provincial Group which also coordinates inspections in the particular neighborhoods of Warsaw as well as in Legionow, Pruszkow and Nowy Dwor Mazowiecki, special control groups were appointed. They will evaluate the quality, the course of the work and production in the inspected enterprise, the efficiency, order and energy of the work of the Primary Party Organization and the Factory Committee in the production processes, etc.

The inspection results will be presented to the party organizations of the firms inspected for their consideration. The executive board of the PZPR Warsaw Committee will deal with the report prepared by the Provincial Group.

9295

Czestochowa Governor Views Strong Local Church Role

26000097a Warsaw POLITYKA in Polish No 39,
26 Sep 87 pp 1, 4

[Interview with Grzegorz Lipowski, governor of Czestochowa Province, by Zygmunt Rola]

[Text] [Question] [Zygmunt Rola] They say you are a host. Are the pilgrims who visit Jasna Gora almost everyday your guests also?

[Answer] [Grzegorz Lipowski] Yes. I must admit immediately that I do not fulfill the obligations of a host towards these guests as they would like me to. I do only as much as I can. Czestochowa ranks fifth in the world as a pilgrimage city, so it should play the role of host better. On the list of "owners" of restaurants, we rank in the middle of the country and on the list of hotels, at the end. I say this with chagrin. But in recent years the views in the ministries on Czestochowa's function have changed for the better.

[Question] When did you become the governor here?

[Answer] Late in 1980.

[Question] This year you had more visitors than usual?

[Answer] Yes. Although there were no more than during the time of the previous pilgrimage to Poland of John Paul II, because that was a record year. On the average, four to five million people a year come to Czestochowa. Then, in 1983, there were eight million. Also, 100,000 cars drove into the city, and 20,000 buses.

[Question] And the statistics from last August?

[Answer] Between 8 to 15 August, 35 large pilgrimages came to Czestochowa, in which 135,000 people took part, and combined with those who came individually, there were then 300,000 pilgrims, 5,000 of their automobiles, and a thousand buses. In the last week of August, in connection with the Our Lady of Czestochowa ceremonies, 21 groups of pilgrims from outside the diocese, and 48 groups from the Czestochowa diocese came. Altogether, 62,000 people.

[Question] Well, and all of them go to Jasna Gora. Despite many attempts I was not able to talk with the prior, Father Rufin Abramek, although twice earlier he had agreed to a meeting. What do you, as the host, gain from thousands of pilgrims and tourists?

[Answer] Nothing. Besides trouble, including that of a political nature. Because most of the pilgrimages lose their religious character. The anonymity of crowds makes it convenient to openly propagate ideas which are inimical to the Polish state. Almost every pilgrimage transforms itself into a political demonstration, with prepared and directed scenarios, containing elements of propaganda, with loudspeakers and a program. With banners, slogans, and "religious" hymns, they attempt to work on the minds of those in the pilgrimage and the spectators lining the streets. For example, in August they hung 210 banners on the embankments surrounding the priory. One of them read, "Communism is the shame of humanity," but it was removed as a result of the intervention of the authorities. The Church constantly declares that it wants to limit itself strictly to the ministry and yet... This year, Wladyslaw Frasnikiuk and Seweryn Jaworski were very active pilgrims. During the pope's third visit in Czestochowa there were no political manifestations. Two months passed and look what happened in August.

[Question] But I think that things were no more difficult than they were in 1980 when there were the battles over the underground tunnel in the area of Jasna Gora, when there were cries to the entire world that the authorities want to seal off the priory with a brick wall.

[Answer] I entered "the field of battle" at a time when the Church was very bitter about the decisions that had been made and the beginning of their execution. During my first two meetings with then-ordinary of Czestochowa, Bishop Stefan Barela, we found a common language, although initially he said that if the work is not stopped pilgrims will come, each carrying a brick and they will fill in the tunnel. We worked out a compromise. I argued that what had already been done would serve the pilgrims. And, in addition, there would be those who would ask how much this work has cost thus far and why has it been stopped. So it must be said that the Church demanded this. Let us remember that there is a very dangerous, busy intersection there.

[Question] So those are the tactics that you use—talk long enough and persuade until a compromise can be reached?

[Answer] Yes. I am convinced that this has to be done.

[Question] And there were no accusations against you that the Catholic Church in Czestochowa has special privileges?

[Answer] Of course there were. Often I heard: When is the governor going to stop building churches? And yet the governor only issues permits. We know to what degree the Polish society is Catholic. We also know that there are regulations which say that in new housing areas space must be provided for church sites. So why the unnecessary wrangling? In Czestochowa Province we try to approach Church problems with great understanding.

I think that the time will come when all of its representatives will also understand the needs of the State. In a conversation with the present ordinary, Bishop Stanislaw Nowak, I said frankly that there are people around him who make it difficult for me to do the work that has been assigned to me. Because if the administrative authorities try to fulfill the wishes of the Church, and its representatives express "heresies" on the subject of the State and provincial authorities, then one becomes discouraged.

[Question] And after all, you have more than one such partner for such conversations—in the area of Czestochowa there are as many as four dioceses...

[Answer] The Czestochowa diocese occupies the largest part of the province. The others are much smaller, therefore contacts with the Catholic bishops in Kielce and Opole are quite rare. Recently, when the ancient church in Glasna gmina in the Opole diocese burned down, its ordinary, Bishop Alfons Nosol, applied for a permit to build a new church. A month after receiving the letter from him on this matter he came to me for a talk during which, to his surprise, I signed a consent to this investment, asking only that it not impair the implementation of other public tasks being executed in that gmina. At Christmas—this was in 1985—two weeks after our meeting, I received a Siemens Company ultrasound meter, valued at \$35,000...

[Question] Your decisions on matters raised by Church representatives are not always favorable to them?

[Answer] No. These pertain chiefly to church construction. Now being built are 32 church buildings, 26 catechism annexes, and 24 buildings of the rectory and parish-house type. Regulations guarantee the Church joint participation in expressing opinions on land-use management plans from the standpoint of their needs, and allow the state administration to make changes in plans that have already been approved. But if the land somewhere has not yet been developed, then the initiative to build a church there is, of course, premature.

[Question] I heard about cases where construction took place without a permit.

[Answer] Yes, it happens. Recently a chapel was built in Ciecniulowa without the permission of the authorities and in Rybna the dedication of a cornerstone for a rectory was arranged on an illegal building site. An inspection of church construction also revealed a large percentage of illegal deviations from the approved documentation. They include design changes which are dangerous to people's lives and health.

[Question] Someone standing on the sidelines and observing your work would feel for you. In the sphere of ideology on one side are several church divisions reinforced by the ordinary movement of pilgrims, and on the other side, the governor alone, who somehow manages to cope...

[Answer] Because I have to cope. There were difficult moments, for example in 1981. But it was already different in 1982 and later it was also different. But I would like to say one thing: Up to now, there have been no kind of "disturbances" in relation to these matters. Naturally, such an assessment can apply only to the longer period, for if we were to restrict ourselves only to 1981 then the conclusions would be pessimistic. But it has probably not been forgotten that at the proposal of the provincial authorities in Czestochowa, sooner than anywhere else the restrictions of martial law were suspended. The "pilgrimage peak" was drawing near and we had to make it possible for people arriving in our city at night to reach the place where they were going to sleep. And after all, persons on the street after 2200 hours were required to have passes.

[Question] You attended the funeral of the previous ordinary.

[Answer] Yes. I felt that it was my duty. Bishop Stefan Barela and I tried, and succeeded, in resolving many problems during a most difficult period and this is why I felt that I should be there. You may say that I am conceited, but I think that if my funeral had preceded his, and mine was a secular one, Bishop Barela at some point would have made his presence known. I said then at the funeral that this man had left us too early and that there still remain many difficult problems to be solved. He sensed even the most difficult ones very well. I remember that thanks to his attitude and understanding of the danger to the Church in Czestochowa it was possible to stop the hunger strike organized in 1983 in St. Barbara's Church by Mrs. Walentynowicz.

[Question] And with the new ordinary you had to begin everything all over again?

[Answer] Basically, yes.

[Question] Was this easy?

[Answer] No. But it wasn't easy for the new bishop, either.

[Question] At whose initiative do these meetings take place?

[Answer] At the Church's and at mine, depending on the situation, on the need.

[Question] Do you think that the representatives of the Church want to meet with you because without the approval of the governor some things could not be done?

[Answer] I never sensed any unwillingness on their part.

[Question] And yet half a century ago, in 1936 to be exact, it was precisely in Czestochowa that a plenary synod of bishops passed a resolution: "It is forbidden to

belong, support, or cooperate with sects, masonry, socialists, or any organizations both overt as well as secret, which are inimical to the Church and social order, or who spread religious indifference"...

[Answer] Since that time exactly the same number of years have passed as I am living. Well, a lot has changed.

[Question] I heard in the Czestochowa Curia that you are a man of dialogue which is already bearing fruit.

[Answer] I am happy that the Church sees it that way. I do not think that that should hurt me, because we really need dialogue.

[Question] How would you describe the Czestochowa model of collaboration between the administrative authorities and the Church authorities?

[Answer] We simply talk. We report even the most difficult problems and conceal nothing. Where representatives of both sides are not able to come to an agreement, they must simply begin by becoming better acquainted.

[Question] You have no doctrinal prejudices?

[Answer] No. I never had any.

[Question] And you know where your authority ends?

[Answer] Oh, I know that also.

[Question] You were never made to understand that you are not among those who are right? That the monopoly on truth, morality and nobility belongs to the "other side"?

[Answer] No. I believe that we also see the results of our efforts regarding this city and this province. But it would be much easier for me to solve the various problems of its inhabitants if the Church, which is now realizing over 80 of its own investments, would respond, for example, to our proposal to build a preschool for crippled children. It was promised that this idea will be investigated by a curia commission, but thus far I know nothing about the results.

[Question] Certainly some sensitive matters also come up.

[Answer] One of them is the suspension of administrative proceedings on the issuance of a permit for construction of a religious-instruction center in St. Joseph's Parish in Czestochowa. According to law, a clergyman is required to swear loyalty to the Polish People's Republic. If he breaks the oath, the organ of the state administration demands his removal from his post as clergyman. That is what happened in the case of the priest, Father Zenon Raczyński. The sermons that he preached, the exhibits that were arranged, and the atmosphere created

during the church service, the distribution of banned periodicals, resulted in our demand that Father Raczynski be transferred. The church authorities did not do this, and to the state authorities he had no legal right to represent the parish.

[Question] And yet the meetings continue. Without epithets, curses or exorcisms?

[Answer] Yes. After all, our talks must be calm. We cannot yield to emotion when it is reason which counts.

[Question] Here, where it would appear that the Catholic Church has enormous public influence, what is the state of public discipline?

[Answer] In 1983, the 600th anniversary of the priory, before the pope's second pilgrimage to Poland, church and city officials jointly made an inspection of Czestochowa parks, squares, the area in front of the priory, the toilet facilities, and drinking water fountains. After the pope's visit, the same officials again inspected all of these places. It was simply unbelievable that there could be such destruction and devastation of everything which had been prepared with such great effort. Of course, this was not done with malice. But if over 20 people stand (one on top of the other) on a bench, then of course the wood does not withstand this. This is how tree limbs were broken, a fence was overturned... In some places the piles of rubbish were knee-high.

[Question] And the problem of alcoholism in Czestochowa?

[Answer] It is the same as elsewhere. But the Czestochowians are accustomed to this, so during the "pilgrimage peak" beverages containing over 4.5 percent alcohol cannot be sold.

[Question] Despite everything, do such incidences occur?

[Answer] No. Or, I should say, only occasionally.

[Question] Do you observe signs of religious fanaticism in Czestochowa? Devotionalism?

[Answer] Maybe only in the neighborhood of the priory, in the old part of town. There you can see that. But I think that this is due more to mercantilism. In coordination with the Church, primarily with the priory, we have attempted many times to control sales, i.e., sales by people sitting on stools, out of suitcases. This is the greatest source of the devotional trash that is sold. It is no joke that satirists at one time sang that portraits of Karl Marx were made over into portraits of St. Joseph. Sidewalk stalls sometimes appear on St. Barbara's St., but even this problem is controlled. PAX is building a hospice there, part of which will consist of a sales section and an office.

[Question] And the crucifixes in the schools and hospitals?

[Answer] Generally there are no sensitive problems, although every once in a while something appears. I do not suspect that someone does this deliberately. Schools and other public institutions are and will remain secular institutions. The Church, aside from the mentioned case in Czestochowa-Rakow parish, has not been refused a permit to build a religious-instruction center. Thanks to this these matters are in order.

[Question] Urho Kekkonen once said that history breathes slowly. Do you believe that this can also be said about the Church entering into the reality of Poland's socialism?

[Answer] Everything takes time, and in the relations of the State and the Catholic Church in our country favorable changes also occur slowly. Perhaps the proof of this is the part of the resolution of the synod of bishops in 1936 which you quoted. And yet over the last few years a great deal has changed—more rapidly than before. The people who participate in these processes or have been observing them during the entire postwar period know this well. Today times for the Church are favorable. And the goals of the State and the Church are often the same. Thanks to cooperation much can be gained, in almost all fields. I think that we are going in the right direction.

9295

ROMANIA

Editorial Comment on Dolj County Aktiv Reprimands

Moral Values Must Be Upheld
27000036a Bucharest *FLACARA* in Romanian
No 49, 4 Dec 87 pp 1-2

[Editorial by Liviu Timbus: "Moral Values—Cornerstones in the Edifice of Our Socialist Society"]

[Text] To anyone who examines with lucidity and good faith socialist Romania's experience, especially in the last 22 years, it is clear that the objective, necessary, indissoluble connection between the political, economic, and social achievements and the development of the socialist social consciousness constitutes a factor in our society's obvious superiority. For precisely this reason, in the view of our party and its secretary general, the new civilization that we are building must lead to the elimination of all those gaps and contrasts in the human condition, to the transformation of the potential humanism into an active humanism, a constant in all policy, a permanent criterion for critical judgment of our actions and plans.

Formulating a clear view of the place and mission of the socialist consciousness, the Romanian Communist Party has stimulated the political and educational activity regarding the affirmation of the communist principles of life, of socialist morals. In our party's view, the development of the socialist consciousness entails both the general raising of knowledge and the full mastery of one's profession and the assimilation of the scientific view on the world and society and the formation of an advanced civic attitude. The promotion of moral values and their penetration into the people's consciousness, so that they become positive convictions, attitudes, and behaviors in work and life, presuppose a considerable effort on the scale of our entire society. The active step of multilateral development is inconceivable without building a strong moral and civic edifice. Only a person invested with the high moral values promoted by our party, only one who makes himself **respected** and, in his turn, **respects** others, only by constantly following the most advanced models of communist life and conduct is such a person of our society worthy of the capacity and mission of a civilizing hero.

In this regard, the tireless work, the revolutionary struggle, and the exemplary life of our people's great son, Comrade Nicolae Ceausescu, constitute for all Communists, for all citizens of socialist Romania, the supreme model to which they continually relate. Through his tireless activity, of which fiery patriotism and boundless devotion to the cause of socialism and communism represent the combustion, through his party intransigence, his flexibility in thinking, and his exemplary presence in the life and destiny of our homeland, the leader of our party and state represents a permanent guide for the Romanian people, who, closely united around the party and its secretary general, have brought before the whole world not only the example of a country experiencing continual historical rediscovery but also the consuming effort to remold, to elevate the moral makeup of those who are the *de jure* and *de facto* rulers in socialist Romania.

Unfortunately, as was noted at the recent session of the Political Executive Committee, life in its implacable dialectic reveals not only successes, not only gratifying proof of the incontestable victory that we are obtaining in the exciting moral redimensioning of man, but also inevitable failures, sad and regrettable deviations from the norms and principles whose elevation represents the aspiration of our entire society. The document prepared on that occasion, the decision of the Political Executive Committee of the RCP Central Committee, not only refers to the violations of those punished for seriously deviating from the requirements entailed by the position that they held, by the highly important responsibilities that were entrusted to them, but also illuminate again, in the foreground of our revolutionary process, the great duty that we all have, and especially those invested with responsible work, with the title of an activist of the party or of society, to acquire and continually perfect those

political, moral, and generally human traits that recommend us as members of the party, as sons of this homeland, united in the Socialist Democracy and Unity Front. The conclusions that are drawn involve all of us equally, regardless of our place and role, at one moment or another, in society, since moral health and cohesion guarantee conclusively the fulfillment of our wishes for the better.

It is known that, through Comrade Nicolae Ceausescu's decisive contribution, those requirements that provide the connection between knowledge and behavior have been formulated in many party documents, so that each working person may perform, with a spirit of responsibility, all the duties that devolve upon him in the position that he holds at his workplace. In creating this new moral universe, not only an exemplary fulfillment of professional obligations but also a new, communist way of life, a responsible moral attitude in the family and society, seem to be necessary. Let us not forget for a moment that our party, the vital center of the entire nation, performs its activity with people, through people. This is why Comrade Nicolae Ceausescu has often insisted on referring to the qualities that those elected to responsible positions must exhibit through their political and moral behavior. These are tasks, are duties that also involve, as we mentioned, personnel with responsible work on all levels of the state apparatus or of the organizations of the Socialist Democracy and Unity Front. To be a Communist, to be a revolutionary, with or without a party membership card, means to participate in establishing a climate that eliminates, through the power of the collective opinion, of the critical and self-critical spirit, unprincipledness, subjectivity, arbitrariness, and reprehensible moral attitudes.

For precisely this reason, maturely analyzing Comrade Nicolae Ceausescu's judgments formulated during the session of the Political Executive Committee on 27 November of this year, we understand thoroughly that only the consistent promotion of the revolutionary spirit in all spheres and fields of activity, the establishment of order and discipline, the manifestation of great exactingness in implementing the party's program, and the obeying of the country's laws represent the essential conditions for general progress, for the optimization of our entire activity.

In the spirit of the recent remarks of the party's secretary general, Comrade Nicolae Ceausescu, we will conclude that the political and educational activity for forming the new man represents a major matter for our entire society and it cannot be done except with the active participation of the whole party, of the mass and public organizations, of the school, and of the cultural and scientific institutions. The decision of the Political Executive Committee of the RCP Central Committee stipulates that all the county party committees will analyze with the greatest revolutionary strictness the failures and shortcomings that are still appearing in their activity and

expresses the confidence that sensible, responsible analyses, in the spirit of communist ethics and equity, will stimulate and galvanize all areas and spheres of activity. Undoubtedly, this document and the discussions that it occasions in order to increase revolutionary strictness, to improve and elevate interpersonal relations, will tap new and great resources for greeting the national party conference with as great accomplishments as possible.

Negative States of Affairs Must Be Liquidated
27000036a Bucharest SAPTAMINA in Romanian
No 49, 4 Dec 87 p 1

[Editorial: "Revolutionary Firmness"]

[Text] On Friday, 27 November, the session of the Political Executive Committee of the RCP Central Committee took place under the chairmanship of Comrade Nicolae Ceausescu, the secretary general of the party. On that occasion, the report on the serious violations committed by the first secretary and other members of the Bureau of the Dolj County RCP Committee and by some personnel with responsible work along a party and state line was discussed. In this regard, the party's secretary general, Comrade Nicolae Ceausescu, stressing the especially serious nature of these violations, asked that decisive steps be taken immediately to eliminate the negative states of affairs and to radically improve the entire activity of the Dolj County Party Committee and the work of all the party bodies and organizations in the county. The Political Executive Committee completely, unanimously endorsed Comrade Nicolae Ceausescu's judgments and decided that these judgments, the conclusions that the secretary general of the party formulated during the session in connection with the violations committed in Dolj County, would be widely discussed, in a critical and self-critical spirit, in the plenums of the county committees throughout the party and that decisive steps would be taken immediately to eliminate the shortcomings and radically improve the activity. In the spirit of the discussions in the session and of the instructions and orientations established by the secretary general of the party, the Political Executive Committee adopted a decision that is to be discussed in detail in all the county party committees and in all the party bodies and organizations. The Political Executive Committee expressed its conviction that all the county party committees will analyze with the greatest revolutionary firmness and strictness the failures and shortcomings that are still appearing in their activity, securing the growth of the responsibility of the entire party active, of the Communists, of all the working people, in order to greet the national party conference with as great accomplishments as possible, to secure the proper implementation of the provisions of the plan for this year and for the whole 5-year period and the decisions of the 13th party conference.

In preparation for the national party conference, the extraordinary conferences of 18 county party organizations were held on Saturday, 28 November. The members of the county party committees and of the county auditing commissions, the delegates elected in general assemblies of the Communists or in plenums of the party committees with the active in the enterprises, institutions, and communes, held in November, participated in the proceedings. In the light of the decision of the Political Executive Committee, the participants analyzed with great revolutionary firmness and strictness the way in which action has been taken regarding the implementation of the party decisions and the country's laws, the improvement of the content of internal party life, of all organizational activity, the continual strengthening of discipline, the patriotic, revolutionary education of the personnel, of all the Communists. The special significance of Comrade Nicolae Ceausescu's judgments and instructions at the recent session of the Political Executive Committee of the RCP Central Committee regarding the necessity of acting to implement the party's decisions, to eliminate all the negative states of affairs, was noted during the discussions.

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Review of Book on Holocaust by Emigre Survivor
27000043a Bucharest REVISTA CULTULUI MOZAIK
in Romanian 15 Nov 87 p 4

[Article by Victor Barledeanu: "A Shattering Testimony About Hitler's Ovens"]

[Text] The Publishing House Dacia of Cluj-Napoca recently brought out a volume of memoirs entitled Hitler's Ovens by Olga Lengyel, a native of Cluj currently living in New York. This is one of the most forceful and harshest testimonies about the Holocaust that I have ever read (and the truth is that I have perused with shock enough books devoted to that terrifying collective crime that drenched in blood the history of the first half of our century!)

The special power of this book lies in the fact that there is nothing literary or contrived about it; throughout the book there is no imagery and no metaphors. Everything is the naked truth, often told without even pathos, something that increases its authenticity. It is a simple and austere autobiography that seems to teach us that genuine tragedy does not need either costumes or scenery when it stems from the immediate reality of a life lived under the greatest tension.

The tragedy of the Lengyels, a family of physicians, told in the book by its only survivor, is in many respects similar to the millions of tragedies that filled with moaning the European atmosphere of that time. It is perhaps the very typical nature of this tragedy, the fact that there is nothing "sensational" about it in the derogative sense of the word, that gives it the painful depth that so touches the reader's soul. Olga Lengyel tells her

story without emphasis and without impetuous outbursts, but with such thorough detail that you, the reader, become a terrified participant in the unfolding of the terrible episodes that crystallize into a film which surpasses the most nightmarish imagination.

Nothing is haphazard in this book nevertheless written with an air of rare spontaneity. For example, the description of the atmosphere preceding the mass deportations from Cluj, which at the time was temporarily occupied by the Horthyst-Szalasist regime. Although they had learned from terrified Polish refugees about the savage cruelty of the Hitlerites and their totally inhumane actions, although frightening news were reaching them from various European countries occupied by the Hitlerites, although a Wehrmacht mayor billeted in their own house told them himself, in a fit of frankness, about the cruelties of the Nazi regime everywhere, beginning with Germany itself, where it had first come to power and where the goose step march on the world began, people were still incredulous; it all seemed to them as inventions, "fantastic stories," or the fabrications of sick minds. Until they felt the terrible reality—more terrible than any story—on their own skin. Except that many awakened to this reality much too late.

One episode from the period preceding the Horthyst deportations is worth citing for its cruel moral. "On a freezing winter day, Dr. S.M. and his aides were ordered to leave for a town near the Danube. There they were instructed to round up all the town Jews and to bring them on the river bank. They hunted down Jews day and night, pulled them out of homes, hospitals, synagogues, offices, and shops; they pulled the children out of schools, high schools, and kindergardens and brought them to the river. They made the men break the ice by the river bank, then ordered everyone to strip down completely and to gather up everything they had on them in piles: bundles, clothes, shoes, toys. Thousands upon thousands of human beings, young and old, men, women, and children, even babies in their mothers' arms, were lined up, completely naked in the freezing cold, along the river bank. A short order was sounded in a thunderous voice and all those unfortunates were machine gunned, their bodies falling into the water. For

a long time after that, women used to come back from the market and find in the bellies of fish pieces of human bodies, and more than once, small children's limbs."

With a pen dipped in the blood of suffering, the author depicts hallucinatory scenes from the Birkenau extermination camp, where she spent days and nights of terror for over 1 year. Here is one example among many: "In the D camp, which was the men's camp, there was a barrack for children—boys. One afternoon, The SS men gathered up all the young boys for selection... What they did with those children was frightful. They stretched out a rope at a certain height and all those who were shorter than that were automatically sent aside for the gas chambers. Out of hundreds of children only five or six survived. By the evening the detainees were stunned to see 20 trucks racing to Birkenau with naked children on them shivering with cold. As the trucks were passing by, children were calling out their names so the parents would know what had befallen them."

Among those nightmarish scenes we also meet brave men who, not being Jewish or targeted by the Gestapo for anti-Nazi beliefs, more than once risked their lives to save people in danger. One such humanitarian attitude, presented in the very first pages of the book, was that of the Catholic Bishop of Transylvania, Marton Aron, who had the courage to speak from the pulpit and to urge the faithful to rally against the Horthyst persecutors, forcefully stressing the brotherhood of all men, regardless of their religious beliefs. Another figure that tends to stay in the reader's memory is that of Campean, a Romanian peasant from the Cluj area, who did all he could to shelter the Lengyel family, although all his efforts shattered against Olga Lengyel's stubbornness (who blames herself for it in the book!) who wanted the entire family to share the fate of her husband, Dr. Lengyel, captured by the Gestapo and sent to Auschwitz on a cattle train. The author still today mourns that terrible and futile sacrifice.

With the book *Hitler's Ovens* the Dacia publishers gave us an opportunity to become acquainted with yet another of the document-books that together form a pathetic and staggering "file" against the most terrible genocide in history.

12782

POLAND

Army, Teachers Join Forces in Fight Against Antisocial Behavior

26000108c Warsaw ZOLNIERZ WOLNOSCI in Polish
14 Dec 87 p 5

[Text] From the moment the agreement on cooperation between the Main Political Board of the Polish Army and the Main Board of the Polish Teachers Union (ZNP) was signed on 8 October 1984, the daily contacts between the garrison cadre in Bydgoszcz and the ZNP district board increased greatly. Each year, several joint events are arranged.

In 1985, for the first time, a joint popular-science session, devoted to the traditions of Polish weaponry, was organized. In the year that followed the theme of the session was "The Use of Traditions in the Patriotic Upbringing of Youth." This year, rifle, chess and bridge tournaments were organized. There was also a session dealing with the participation of the army and teachers in combating anti-social behavior. The military was represented by members of the provincial military staff, the garrison command, the Bydgoszcz unit, members of

the anti-alcohol commission, club managers and youth instructors from the province area, and representatives of such paramilitary organizations as the National Defense League, Union of Former Professional Soldiers, and Union of Fighters for Freedom and Democracy. The teachers were represented by people from the Education and Upbringing Superintendent's Office, activists from the Bydgoszcz Polish Scout Union (ZHP) Council, the provincial court, and educators from 58 towns and gminas in the province.

The meeting was held in the ZNP Main Board club. It was organized by the ZNP Main Board and the Provincial Military Headquarters. The guests were welcomed by the president of the ZNP Main Board, Wacław Kazmierczak, and the session was conducted by the vice president, Mirosław Kucol. During the session, Col Dr Zenon Rogala described the participation of the military in the fight against anti-social behavior, using cases from Bydgoszcz garrison as examples. Magda Polus, inspector in the Education and Upbringing Superintendent's Office, discussed the participation of teachers in combating social wrongdoing.

9295

CZECHOSLOVAKIA

CSSR in CEMA Restructuring Context Viewed

24000006b Prague RUDE PRAVO in Czech
12 Oct 87 p 4

[Article by Michal Voracek: "Eve of the 43rd CEMA Congress."]

[Text] Of the Kcs 247,2 billion turnover in the Czechoslovak foreign trade last year almost three-quarters went to CEMA countries, and of that about 45 percent to USSR. We obtain from the socialist community the bulk of the raw materials essential for our economy; for example, almost 100 percent of imported fuels comes from CEMA countries, mostly from the USSR (95 percent). In 1986 the CEMA market bought almost 74 percent of the value of exported Czechoslovak manufacture, machinery in particular. We are linked to the community by a network of specialization and joint action relationships.

The linkage to the CEMA programs forms the basis of our research and development policy. Up to four-fifths of the total value of CSSR trade in machinery and equipment is determined by our relations with CEMA countries. The current specialization of our machine tool industry therefore strongly reflects the situation within the community.

Important successes have been achieved in joint actions among CEMA countries. They are particularly significant when evaluated on a long term basis. At the same time, cooperation is not, and has not been, and (as is inherent in socialist principles) even could not be, directed by purely economic or national interests. One of the first "laws" of the cooperation among CEMA countries is socialist internationalism, the equalization of the economic levels of partner countries. The cooperation has brought and is bringing to Czechoslovakia, much that is positive from the economic point of view. The long range goals of cooperation within CEMA are in full accord with our needs.

However, for some time now it has been felt that economic cooperation could be bringing CEMA member countries much more significant benefits. Such an evaluation was also expressed from the platform of the 17th Congress of the Czechoslovak Communist Party. The process of socialist economic integration must function to a much greater degree as a factor in the intensification of the CSSR national economy. It must contribute to the highest possible level of the consumed NI and enhance the functioning of the other factors of intensification, particularly research and development. To accelerate our development, the integration obviously cannot continue on the same old course. Today's results, and forms and methods of cooperation as well, would not be sufficient in the future.

Current Malaise

The rates of the physical volume of imports from CEMA countries to CSSR have slowed down, having been affected particularly by higher world prices of fuels which carried over to the CEMA market. The possibilities of supplying quality machinery and consumer goods are slim. It is impossible to continue with the prevailing inter-departmental form of exchange. Our economy is affected by the shortcomings in the production-consumption structures of CEMA countries. There are shortages of various kinds of goods on the CEMA markets. A concomitant problem is the undesirable linkages between imports and exports.

Also, the degree of influence cooperation has on accelerating research and development, on the creation of an optimal national structure of production, on savings realized from exchange, cooperation, or specialization, is by no means satisfactory. For example, the higher forms of cooperation (spare parts and assemblies) contribute only a very small share to the total exchange. Thus the cooperation with CEMA countries has not yet given sufficient stimulus to the intensification of our economy; the same, of course, goes equally for other CEMA countries.

New Solutions Essential

The urgency to solve the problem of increasing the efficiency of socialist integration is thus escalated under the pressure of the necessity for a transition of individual CEMA countries to intensification, and the effects of international politics and economy. The situation in which CEMA found itself at the beginning of the 1980's demanded, and is demanding, new, and in the sense of the linkages of the integration program of 1971, some not-so-new solutions (for example, foreign currency monetary relations in the community). The extent of these solutions, anchored in the resolutions of the economic conference of CEMA countries in 1984 and broadened particularly at the working meeting of the highest representatives of communist and working class parties of the CEMA countries at the end of last year, is extremely important for Czechoslovakia. Basically, at stake is the fact that the future economic development of the countries of the community, and particularly its acceleration, can be based only on the intensive factors of development. To implement them, entirely new conditions have to be created in the macroeconomic mechanisms.

A reform of the integration is essential, whether from the viewpoint of the substantive factors or the systemic conditions. These changes, when consistently and informally carried out, will result in improved living conditions. They will be reflected also in relations with Third World countries.

Successes and Problems

The main objective is to accelerate research and development. It will be necessary to remove all obstacles preventing the realization of The Comprehensive Program of Research and Development of CEMA Countries up to the Year 2000, adopted in December 1985. The program, which concentrates the efforts of the countries on 5 priority areas (electronics, automation, nuclear energy, new materials and technologies, biotechnology), became a energizing element of CEMA cooperation. Within its framework, several specific inter-state agreements were concluded, and contracts already agreed upon were detailed. They initiated the functioning of the so-called main organization which directs the cooperation in fulfilling more than 2,800 individual research and development joint projects into which the mentioned 5 priority areas were divided, and 93 of the main and 930 of the specified tasks. Drawing up contracts was put into the province of specific organizations. The first research and manufacturing projects were started and the first joint economic organizations came into being.

However, considering the stated goal of the Comprehensive Program of Research and Development—to reach by the year 2000 the highest levels in science, technology and production in the most important fields of scientific research development—it is not possible to be satisfied with the progress so far. Despite the revolutionary nature of the program, all is proceeding more or less by the old “tried and true” forms and methods of cooperation. That does not, at this time, provide a guarantee that the stated goals will be reached.

There has been no success (and in the current integration environment that was not even possible within such a short time) in integrating “research and development with production,” in many cases even on paper—in the concluded contracts. Meanwhile, it is questionable whether in some instances such specialized and joint venture production will be introduced that would tie in with the research and development and would fully cover the needs of the partners, not to mention the world peak parameters of production time, guarantees of delivery, or mutually advantageous prices.

The goals in technology and cost effectiveness which the cooperating organizations set for themselves are not yet close to the highest long range world levels across the board. At times tasks are included in the program which have already been accomplished by manufacturers in non-socialist countries. If no changes are made in this respect, doubts about all of the program being implemented will be justified.

Gradual Restructuring of Integration

All this cannot be accomplished without fundamental changes in the macroeconomic mechanisms of individual CEMA countries, nor without the reorganization of the way CEMA functions. There is a close mutual

connection here with the new concept of coordinating economic policies of CEMA countries and macroeconomic planning, as well as the matter of developing direct contacts between economic organizations of the CEMA countries.

In this respect we are not talking about a cosmetic re-arrangement of the current mechanism of integration but a profound, qualitative change in it. The decisive question will be the approach toward the economic instruments of cooperation, particularly the mutual convertibility of national currencies for a transferable ruble, with each other, as well as in relation to freely convertible currencies, while placing the rate of the transferable ruble on a realistic basis. This is one of the key points of the system of gradual restructuring of socialist integration, although we should not underestimate the importance of improving other economic instruments (for example, price formation) or organizational matters.

In a short time, CEMA will announce the first results of the combined efforts of 10 integration partners to restructure CEMA, which will be evidenced particularly in adopting the arrangements as far as institutional organization is concerned. It will lay the foundation for a gradual all-around improvement of the integration, and its basic direction will be established.

There are other problems related to this. It is essential to quickly work out a long range, collective concept of the international socialist division of labor which would resolve the long needed creation of optimal, mutually advantageous production and consumption structures of national economies, linked also to the Comprehensive Program of Research and Development. Other measures have to be adopted to develop direct contacts (direct production and research and development cooperation and creation of joint ventures).

The restructuring of the CEMA mechanism will be on the agenda of the 43rd, extraordinary CEMA congress at the heads of government level, which will convene in Moscow on Tuesday.

12605

Transition to Single Exchange Rate in Restructuring Viewed

24000027b Prague HOSPODARSKE NOVINY in Czech
16 Oct 87 pp 1, 5

[Article by Doc Eng Frantisek Pavelka, CSc, CSSR deputy finance minister: “The Transition to a Single Exchange Rate”]

[Text] The principles of the restructuring of the economic mechanism have uncompromisingly laid out before the agencies of the finance and credit system the task of making the exchange rate an objective one and to do it so that the Kcs exchange rate to foreign currencies will be formed more thoroughly on the basis of the

relationship between the levels of the domestic and foreign prices. This should be oriented toward the application of a single exchange rate and the exchangeability of currencies regulated by the state. In connection with an increase in the effectiveness of exports and an improvement in the finance tools, we must continuously firm up the exchange rates and improve their critical function in comparison of domestic and foreign productivity of labor and in their utilization as one of the tools of defense against the penetration of foreign inflationary influences into the Czechoslovak economy.

This is a qualitatively new task which our agencies entrusted with the management of foreign exchange dealings have never before in practice carried out to such an extent and with such an intention and which no socialist country (including Hungary, even though it has made considerable progress on some exchange rate questions) has yet gained any greater positive practical experience with its effective and efficient solution.

As to What Economic Value We Are Dealing With

What is the core of the problem? On the one hand, the exchange rate is a simple quantity. In substance it shows in what quantitative relationship (rate) the national currency of one country is exchanged, or at least recalculated, for the national currency of another country. This makes possible a comparison of price levels and the purchasing power of the currencies of various countries as regards one another and a comparison of the advantages and disadvantages of importing and exporting goods and the purchasing or sale of services; simplifies billing and payment of mutual credits and debits; makes it possible to evaluate the economic advantages or disadvantages of the various forms of economic cooperation (especially specialization, production cooperation, basic joint enterprises, and the undertaking of large-scale joint actions); and thus in the final analysis the level of productivity of labor can be compared between the individual countries.

And at the same time this is the complexity of the whole problem. It turns out that this simply expressed relationship of two foreign currencies is actually a very complex economic value, a point of intersection at which practically all aspects, but particularly qualitative ones, of the economic development of these countries meet and merge. The level of currency exchange rates are affected not only by the influences given above, but also by the role which the given national currency plays in foreign trade and foreign monetary circulation (for example, whether it is a matter of actually exchangeable or virtually unexchangeable currency), what the balance of payments situation of the country is with other countries, etc.

The role of the exchange rates is also affected by the system of their formation and use, whether they are rates which are fixed, flexible, or freely moving; uniform or differing; or single-component or multicomponent. The

method of managing currency exchange matters also plays a large role, especially in the case of a currency and exchange monopoly by the state and a state monopoly on foreign trade. The more or less realistic nature of determining the exchange rates can have significant economic consequences in the decision making of exporters and importers in areas involving goods and their responsibility for the final results of these simple foreign exchanges, but also particularly in manufacturers' decision making on joining in on the higher forms of international division of labor and socialist economic integration.

We can describe the system of exchange rates now used in the CSSR roughly as a fixed (inflexible), differentiated system of multicomponent rates which must be still further adjusted by noncurrency tools because of the historic deviations in the domestic price relationships from the ratio of price levels abroad.

It is typical for it that the official rate of the Czechoslovak koruna announced by the State Bank of Czechoslovakia in the rate letter basically changes only when there are changes in the purchasing power or the rates of exchange of foreign currencies and that it differs for the various types of payments, especially for the so-called trade and nontrade payments. This differentiation results from the fact that the trade payments are connected with the export and import of goods which in the domestic economy are carried out as wholesale prices, while the nontrade payments concern areas of external economic relationships (for example, tourism) where the utilization of goods and services takes place at the retail price level. The relation of the movements of the wholesale and retail prices is quite loose in this country at the present time.

In addition to the official, authorized components, our system of exchange rates also contains an unofficial component by which the exchange rate is for domestic purposes corrected or made more realistic to the level of corresponding to the actual relations between the domestic and foreign prices. This gives the exchange rate a multicomponent nature. (The internal correction of the official exchange rates does not substantially affect the interests of foreign organizations or persons because they, in view of the prohibition on the circulation of Czechoslovak currency abroad which has up until now been strictly applied, cannot so far meet their debts to the CSSR in Czechoslovak korunas, but only in either freely exchangeable currencies, convertible rubles, or other contractual billing (clearing) currencies.)

Why a Radical Change Is Necessary

Just how did this relatively complex and not very rational system of exchange rates come into being and why is it necessary to change it radically?

A critical analysis of the method of ensuring the strategic policy for accelerating the economic and social development laid out at the 17th CPCZ Central Committee

showed that the existing methods of partial adjustments and gradual improvements in the system of planning and management are not sufficiently effective. They are not able to transform our economy from a predominately extensive to a predominately intensive path of economic development based on implementing the results of R&D, structural changes, and an effective joining up of our economy into an international division of labor and socialist economic integration. In their own way they also contributed to the fact that economic growth began to loose its growth rate gradually and our economy in a number of areas began to fall behind the highly industrialized countries in performance, quality, and efficiency.

This development is also affected by the relatively great isolation and separation of production from the direct and immediate influence both of global trends in equipment and technology and of the world markets. What is even more paradoxical is that in recent years on the average of one-third of the national income created has been achieved by means of exports abroad and we are meeting our domestic consumption by importing about the same level of raw materials, machinery, consumer goods, etc., likewise from abroad.

The system of exchange rate discussed above also makes its contribution to the insufficient state of connection of our economy with global economics, both as it has gradually been distorted on the basis of the development of concepts and implementation of the state exchange monopoly and the monopoly of foreign trade and the need for solution of material problems.

The original concept of the state monopoly on foreign trade and the monopoly on exchange unavoidably had to place mainly its protective function in the forefront in the beginning phases of building the basis of a developed socialist society, and especially in the stage of the transition period from capitalism to socialism. The practical nonexistence of a world socialist system, international socialist division of labor, or a socialist world market which then appeared and have gradually developed also contributed to this. The necessity of carrying out basic structural changes in the national economies also had a large share in this, especially as far as it concerned industrialization and the creation of new branches which are substantially easier to do under conditions of a high degree of protection of the domestic economy from external influences. (We should also not forget that the beginnings of the revolutionary changes of our economy took place at a time when the majority of the economies of the European countries had been destroyed by World War II and under the conditions of the so-called cold war where the most powerful imperialistic countries of that time were taking a strongly militant anti-Communist stance.)

It was entirely logical and a matter of course that the koruna (domestic) and hard-currency (foreign) monetary management, the formation and utilization of exchange

rates, and the relationship of domestic and foreign prices, in short, everything that we call the value aspect of external economic relationships would be modified to the forms of implementation of the monopoly of foreign trade and the monopoly of currency exchange. The value or monetary aspect of external economic relationships was organized so that the domestic and foreign monetary circulation were strictly separated from each other.

The Importance of Exchange Rates Has Decreased

At the point where the domestic (koruna) and foreign (hard currency) monetary circulation were divided from each other foreign trade organizations were entrusted with the execution of a monopoly on foreign trade. These organizations bought goods from domestic, that is, Czechoslovak organizations in principle only with Czechoslovak korunas and for wholesale prices. They sold goods imported by them on the same principles. Domestic manufacturers thus actually bought and sold within the framework of foreign trade at the level of internal conditions resulting from internal prices and the tasks of the plan, as far as changes in the market were concerned. They basically were not interested in and could not even be interested in what the foreign trade organizations were buying and selling for abroad.

With a situation where the national and foreign currencies and thus also the domestic and external conditions of production and trade practically could not come into mutual contact, at least in the trade portion, the importance of the exchange rate as their value conjunction in substance declined down to just the level of a bookkeeping tool (also in this period there arose the concept of the "foreign exchange koruna" which is still not clear to a number of people today) and theoretically it could be set at any given level. This was also partially utilized in the currency reform in 1953. The gold content of the Czechoslovak koruna from which the koruna's exchange rate with the other, foreign currencies was derived was greatly overvalued. This resulted from the fact that with the growth rates in the productivity of labor which were achieved at that time, the actual internal buying power of the koruna reached and finally exceeded the actual buying power of the foreign currencies, especially those of the capitalist countries, and thus the exchange rate automatically becomes unrealistic. This overvaluing in relation to foreign countries in the area of nontrade payments likewise created the room for the policy of reducing the level of retail prices carried out in the 1950's.

The development of economic reality, however, soon forced changes in the system. First this was the need to have different rates for the areas of trade and nontrade payments and the rates of nontrade payments were gradually adjusted, especially for the purpose of the tourist trade, in the form of the introduction of other, mostly unofficial coefficients. There was also the recognition of the need to reduce the separation of the

domestic economy from developments outside the country. In the first phase this would at least involve an increased projection of the differences between the internal and wholesale prices and the actually achieved foreign prices in exports and imports into the economies of the manufacturers and users of export and import goods. Here, however, we ran into a great obstacle in the historical differences in the relationship between internal and world or foreign prices and the separation of the official rate from the actual value relationships between our national economy and that of foreign countries. The official rate had to be modified in the trade portion as well by various systems up until the two-component form in which it functions today, the official rate plus a supplemental exchange coefficient fine-tuned by other financial and economic tools where necessary.

Conditions for an Effective System

The current needs for the development of foreign trade and the international division of labor, however, require a transition to qualitatively higher forms of connecting the domestic economy with the foreign. The so-called direct production and R&D relationships based on production specialization and cooperation, associations for penetrating third markets, basic joint enterprises, etc. are mainly coming to the forefront. To achieve this it will be essential to change the existing concept of a monopoly on foreign trade in the sense of expanding the right to foreign trade activities also to the production enterprises and expanding the functions of the foreign trade organizations to include facilitating and service functions. They would thus make a transition from the basis of an administrative monopoly to the basis of commerce and a economic monopoly.

Putting production forces on an international footing likewise requires that we free up the movement of labor and the growth in the standard of living along with further room for foreign travel. Under these circumstances it is more than logical that the task be assigned to continue substantially further in forming currency exchange relationships and a system of exchange rates corresponding to them.

From the standpoint of the goals and needs of accelerating the economic and social development of our society it will be necessary to create through gradual steps a modern system of exchange rates meeting the needs of the further development of the socialist economy with its substantially broader connections into the process of socialist economic integration and the international division of labor. Only such a rate system as will be sufficiently flexible, uniform, and objective to the maximum possible degree will be able to play an active role here.

The foregoing historical and analytic excursion, even though only a brief and considerably simplified one, shows that this is not a simple process. To create such a modern, effectively functioning rate system which meets current needs a number of measures are necessary in

other related areas as well. One of the most important conditions is a restructuring of domestic prices. Their adjustment (at least in that part of production and consumption which is decisive for the development of direct production and R&D relationships) to foreign or global prices should meet some relatively objective criterion of effectiveness and economic soundness.

Such a price restructuring will help in the creation of conditions for the first step, for a transition to a single-component rate. A number of these elements will be contained in the restructuring of the wholesale prices prepared for 1 January 1989.

It will therefore be logical and natural that at least some of the tasks arising from the Principles of the Restructuring of the CSSR's Economic Mechanism concerning the exchange rate question should be carried out at that time. In that period it will be possible not only to go over to a system of single-component rates, but also to carry out making them more realistic on the basis of a more thorough measurement of the level of domestic and foreign prices. For this, however, it will be necessary to ensure some other steps of a formal nature, such as a new adjustment of the relationship of the Czechoslovak koruna to gold, the bank's authority in managing changes in the single-component rates, etc.

The transition to single-component rates, that is, rates without the use of other adjusting coefficients, will likewise create broad room for the implementation, if only partial for the time being, of a state regulated exchangability for the Czechoslovak koruna, in connection with payments resulting from direct production and R&D relationships with partner organizations of the CEMA member countries. It appears realistic to introduce such a partial exchangability of the Czechoslovak koruna for the national currencies of the CEMA member states and for the convertible ruble.

As far as the exchange rates in the nontrade area are concerned, the system of a single-component rate has already been in use for a long time in relation to socialist countries. The introduction of single-component rates for the currencies of nonsocialist countries as well, coordinated with the transition to single component rates for trade payments will lead on the one hand to simplification and surveyability of the entire rate system and on the other hand it will create more favorable conditions for the further development, flexibility, and expansion of tourist traffic. The idea is that in this phase of the adjustments it would substantially just be a matter of official recognition of the existing status quo where the foreign tourists, but also our own citizens, bringing in freely exchangeable currencies get various advantages over the currently valid official rate, for example, in the form of a supplemental payment in addition to the official rate amounting to 75 percent or in special cases

of the actively organized tourist trade even 165 percent or in the form of exchanging foreign currencies for vouchers for goods in the PZO (foreign trade enterprise) Tuzex, etc.

All this is, of course, just the first steps in implementing the assigned task. For the transition to a uniform exchange rate which would further open up the path to a broader introduction of a state regulated exchangeability of the currency and thus also to a continuously more direct, immediate, and flexible joining of our economy into the international socialist division of labor, there is still much to be done and to be decided. For example, we must join and reconcile the movement of our domestic wholesale and retail prices much more closely. We must resolve a question of the level from which we will derive a realistic, objective amount for the exchange rate. There is the question of tools for effective management of the currency exchangeability in connection with the restructuring of the CEMA integrating mechanism, particularly the functioning of the convertible ruble, etc.

There are many tasks and problems here, but their resolution is not just self-serving. The final goal is to contribute to the creation of an economic and social environment from which there will continually come impulses for rapid economic growth and increasing the productivity, effectiveness, and quality of all work and thus also to a continuous growth in the standard of living, the material and spiritual wealth of the people, and their social security.

6285/9738

Supply-Demand, Legal Questions in Restructuring Explained

24000027d Prague *HOSPODARSKE NOVINY* in Czech
23 Oct 87 p 7

[Article by Eng Ota Karen, vice-chairman of the management of SBD (Association for Apartment Construction), Potok, Prague: "Questions in Common"]

[Text] Restructuring the economic mechanism requires not only changes in thinking, economic approaches, and the forms and methods of management, but also the organizational arrangement and positions of our economy's economic entities. This is an important change and in the Soviet Union a similar one is being called a revolutionary change. It is therefore appropriate that the individual parts of the restructuring under consideration are being submitted for broad discussion by theoreticians and practitioners, managers and workers. This concerns the proposals on laws on state enterprises, agricultural cooperative organizations, and also production, consumer, and housing cooperatives. I would like to comment on some problems which, in my opinion, these proposals have in common.

One of the central points of the current discussions is criticism that the proposals on the laws do not contain more detailed regulation of supply and demand relationships. I feel that this matter does not belong in the laws which are in substance of an organizational nature. In emphasizing the equality of all economic entities, supply and demand relationships must be uniformly regulated both for state enterprises and cooperatives and also for the other socialist organizations whose operations will not be regulated by the proposed laws. This regulation thus logically belongs in an updating of the economic code.

Supply and Demand Relationships

It is undoubtable that the contents of the legal regulation of supply and demand relationships must be somewhat different after the restructuring of the economic mechanism than they are today. It will be necessary to rethink and modify in particular the provisions regulating the relationships of the state and economic plans (in their new concepts) and the economic obligations of the enterprises and other organizations, especially economic contracts.

This modification will have to reckon with a certain transitional period. The new economic mechanism will start to operate under current conditions of economic imbalances and a predominate monopolistic position of suppliers in practically all branches. The situation in the market will change only as a consequence of the effect of the new economic mechanism, the development of socialist entrepreneurship and competition, the limiting of excessive capital construction, and the intensification of our economic development.

If we do not wish to submit to economic romanticism, we cannot allow ourselves to operate under the illusion that the new laws' effectiveness which significantly counts on the stimulation of enterprise interests in harmony with the interests of society. The gradual creation of harmony between these interests will obviously be a long-term, difficult, and far from problem-free chapter in supply and demand relationships. But we cannot leave this area without any regulation and without protection for the consumer side because a situation could develop which would be even more serious than the current one from the standpoint of relationships between enterprises and from the standpoint of meeting the needs of the national economy.

In this situation it will be necessary to ensure the economic responsibility of suppliers for satisfying the needs of their consumers to the necessary extent, quality, and product mix. At the same time it will be essential to create economic stimulation of the suppliers to sign economic contracts so their customers will not be insecure as to whether they will get deliveries (and what kind) for fulfilling their economic plan. It will therefore

be necessary to use legal regulation to create a situation where it will be disadvantageous for the suppliers to make deliveries without signed economic contracts.

One of the key measures will be securing (even if only as an exceptional step) specified outputs of the state plan in relationship to the state enterprises. I feel that here a system fully corresponding to the Soviet concept of state orders should be applied. In discussions so far it has always been emphasized that state orders should be placed on a competitive basis. This of course presumes that the suppliers are interested in state orders. I feel that this will not be the case, especially at first. In such cases there will obviously not be anything else to do other than to assign the enterprise a directive obligation to take on orders to fulfill a specific output of the state plan. There is, however, the other fact that there cannot be many such tasks in the entire economy because it would otherwise lead to a return to the well-known general contractual obligation which is, as experience shows, economically ineffective for the development of entrepreneurship and intensification.

In those cases where the enterprise is directed to take on a state order, however, it should be advantageous for it. This means that the enterprise should make a somewhat higher profit in meeting the state order than in fulfilling the terms of "voluntary" economic contracts signed for other supplies. This could be achieved, for example, by a one or two percent surcharge on the prices. On the other hand, it will also be essential here to ensure increased supplier responsibility if the state orders are not filled. The property responsibility of the enterprises for filling them must be such as to override any other enterprise interest in carrying out other tasks. Penalties for nonfulfillment of state orders must therefore be a minimum of twice the sanctions for nonfulfillment of other obligations and the responsibility for damages caused substantially unlimited.

With state orders it will also be necessary to work out a way to ensure the necessary subsupplier for their fulfillment. In a goal-oriented solution this will not be possible to achieve through the current contractual obligations for subsuppliers necessary for fulfilling tasks resulting from the state plan (in its current concept).

Responsibility for Orders

It will obviously be necessary to solve the problems of the responsibilities of suppliers and consumers for meeting the orders accepted in a way that the consequences are substantially more serious than they have been so far. We cannot allow ourselves to be distracted by the fact that even now these organizations are responsible for nonfulfillment of orders accepted in the form of property penalties, responsibility for failure to deliver, and obligations to make good any damages. In the new economic mechanism, it will be necessary to study these economic administrative mechanisms both from the standpoint of

prerequisites for their application and from the standpoint of the effect of their economic consequences on the economically guilty (usually the supplier) and innocent (as a rule, consumer) organizations.

With a direct connection between the creation of profit in enterprise income, reparations paid for the negative consequences of not meeting orders accepted will not be just a formal matter, as has often been said up until now, of just shifting resources between enterprises. It will obviously be necessary to modify the general obligation to cover lost profits, the method of determining them, and, where applicable, the advisory opportunities for the owing organization. Naturally it will not be possible to allow a situation where enterprise income is created largely as a result of collecting penalties from other organizations for not meeting their obligations.

In this connection it will also be suitable to check out the necessity of the most various divergent or detailed and casuistic regulations contained in the basic conditions for deliveries issued by the departments. I am of the opinion that regulation of the basic institutions of the economic law should be substantially uniform in the economic code without regard to departmental, branch, or trade specifics. On the other hand, of course, this requires that it be simple and general. The actual specifics of certain deliveries, which are usually technical considerations, should rather be contained in the technical norms or agreements between enterprises or in long-term validity (framework) economic contracts. The economic code will, of course, have to ensure that such norms or agreements do not weaken or exclude the general legal responsibility or that in putting them together the monopolistic position of some of the participating organizations (in the beginning, most frequently suppliers) is not abused.

I am of the opinion that the system of economic legal regulations should be created only by laws and regulations of the CSSR government. Preparation of these regulations and responsibility for their evaluation, studying their effect, and taking care of any changes should likewise be performed outside the departments by entrusting it to the State Arbitration Board of the CSSR which would execute this function in cooperation with the central agencies with crossover authority. In such a case we would avoid a fragmented system of economic legislation far below the level of law which we cannot assume would be respected by the broad circle of economic managers.

How Is It With the Question of Legal Entities?

The proposal on the law on state enterprises characterizes the enterprise as an "independent legal person" who is represented by its own name in legal relationships, can acquire rights and take on obligations, and bears property responsibilities resulting from legal relationships. The proposal on the law on agricultural cooperatives does not give the cooperative this characteristic, but

obviously assumes it (section 10). The proposal on the law on production, consumer, and housing cooperatives states that the cooperative is an "independent socialist organization" which is an "independent legal person" (section 5).

A delineation of the legal content of the concept of a legal person is, however, missing both in the proposed laws and in the economic code, despite the fact that it obviously must be the same for all entrepreneurial entities in our economy (and thus not just for state enterprises and nonagricultural cooperatives). The economic code uses the concept of the socialist organization as the general concept for an organization with a legal existence. It is evident that there must be a simplification of content and concept here and not in the individual proposed laws. It would be most suitable to update the economic code again or to come out with a special law which would also be in effect for other than socialist organizations which enter into legal relationships in this country (for example, joint enterprises created within the CEMA framework or nonsocialist foreign legal entities). It will similarly be necessary to delimit also the position of state agencies and other budgetary organizations in economic legal relationships.

There are also similar problems with the regulation of the enterprise registry in the individual proposed laws. The content of this regulation is not uniform and obviously assumes the existence of other legal norms because here certain fields of activity of the agency and supervisor of the enterprise register are being considered even if they are not being regulated here (for example, deciding on the announcement of recording and the possibility of its denial). It would be necessary to regulate the entire matter of the enterprise register, including the register court, in a uniform manner, again allowing for the possibility of the formation of joint enterprises or other legal entities not governed by the economic law.

The previously cited inadequacy of regulation of the forced dissolution of legal persons as a consequence of their inability to meet economic obligations which they have assumed or which result for them is relevant here. This involves dealing with cases of economic failure and settling with the creditors. The inadequacy of the regulation has led, for example, in housing cooperatives, to situations which could not be resolved other than by settling the debts from centralized funds. This obviously will not be possible under the conditions of the restructuring where the resources created by the individual entities are not supposed to be redistributed.

In this situation there is also a deficiency in our criminal law that does not resolve the criminal responsibility of a manager for culpable bankruptcy because it has been shown that replacing such a regulation through the use of criminal responsibility for unauthorized use of economic resources is inadequate. It is not suitable for resolving the problems of economic failure caused by an irresponsible approach by the economic managers or members of

a collective statutory bankruptcy agency. Approval of the proposed regulations, on the other hand, will increase the authority of enterprises and cooperatives and their management for entrepreneurial activities and economic development.

An Excess of Various Regulations

In the discussions there are cries about the complexity of the legal regulation of relationships into which the enterprises and cooperatives enter and about limiting reference to operational, special, and other regulations. Often there is the fear that this form of action would crush the principles of restructuring or continue the current situation of detailed regulation of operations in various norms in which it is not simple even for a lawyer to know his way around.

I definitely concur with a simplification of the economic legal legislation, but on the other hand it should not be presumed that the entire question of economic legal and other legal relationships can be regulated in one law or in three laws. I therefore feel that the proposals on the laws on state enterprises and on cooperatives should exclude the provisions which do not have a specific legal content and have only a proclaiming nature. There are really a lot of such nonregulatory provisions in all the proposals submitted for discussion. In order for the law to fulfill its function correctly, its individual provisions must regulate the behavior of the entities affected and where necessary establish penalties for violating the legal regulations.

In order for legal regulations (laws, government orders, and decrees) to be effective, their system must be simple. Today this is a long way from being the case. There is widespread abuse, it cannot be expressed otherwise, in issuing clearly "sublegal" orders and directives to which a normative nature is attributed. And this is even worse in those cases where some crossover central agencies (most often concerned with labor and social affairs) issue skeleton decrees, directives, or orders and neglect their "execution" or directly subordinate them to departmental regulations. This creates a legal jungle in which few people can find their way and where it is almost always possible to find something which the economic worker has violated. Such approaches are a consequence of a legal philosophy which ruled in the past (derived, of course, from the philosophy of management) according to which it is necessary to have detailed and casuistic regulation of the activities of organizations and their economic employees down to the fine points in an attempt to cover everything. If an unforeseen case comes up, the employee is out of luck and takes the risk that some auditing agency will take action against the responsible employee for his independent solution to the situation that arose.

The auditing agencies likewise often do not make inquiries into the violation of regulations, but into adhering to them. This has a consequence of leading to an unwillingness to make decisions and to attempts to shift the

decision making, and with it the responsibility, to a higher level of management. Of course, this results in the disappearance of any kind of independence and entrepreneurial attitude, as well as any attempts to resolve nonstandard situations. In the new economic mechanism this would, of course, not be possible. It is indeed an attribute of the increase in the enterprises' and cooperatives' independence that there is also an increase in the responsibility of their management and self-administering agencies to deal with things in an entrepreneurial spirit, that is, to make independent decisions within the limits which have been created for their dealings by the generally binding legal regulations, economic tools stemming from the state plan, and the specific conditions for carrying out economic activities. This all must, however, presume that they will not be punished by any agency outside the enterprise (audit, departmental, or even an agency operating in the criminal justice system) for decisions made in accordance with the laws and with the assumption of routine economic risk.

It is obvious that such approaches require a change in the existing legal philosophy getting away from detailed regulation of activities and issuing truly general binding regulations which have been simplified. I feel that it also applies to us what IZVESTIA recently wrote (on 11 August 1987 in an extensive article on the development of law in the USSR: "The legal axiom which is tossed around in a semilegal manner in newspaper articles and scientific monographs that whatever the law does not forbid is allowed is now the official party position. But it still has not become practice. It will be necessary to fight for it and the struggle will obviously not be an easy one." I would add that it is, however, worth the fight because without creating the conditions for independent decision making there will be no development of socialist entrepreneurship and economic competition. And these are, along with the new concept of centralized planning, the pivotal principles of the restructuring of our economic mechanism.

6285/9738

Government Meeting on Economics Reported
24000028c Prague RUDE PRAVO in Czech
4 Dec 87 p 1

[Article, author not given: "CSSR Government Session Report"]

[Text] Prague (Czechoslovak Press Office [CTK])—At its quarterly session, the CSSR Government discussed this year's economic development and how to meet plan targets for 1988.

The Government stated that despite a number of measures that have been taken, we are not meeting our targets in economic intensification. This is evident in the materials support of manufacturing, in economic disproportions, and in excessive increases in both inventories.

Deliveries for the domestic market are inadequate in terms of both quantity and structure. Given rapid increases in incomes, this means that consumer demand for certain products has remained unmet. Targets for capital investment and in foreign trade are threatened. Tasks established by the government to study the mid-year economic development figures have also not been implemented. Sectors, VHJ and enterprises were supposed to use these analyses as the basis for organizational, technical and economic measures to fulfill the plan by correcting shortfalls in output and profits, and to maintain planned wage increases.

In discussions on plan fulfillment issues related to 1988 the government again emphasized that the efforts of sectoral and economic organization management should be focused on overcoming current problems and shortcomings, and to assure fulfillment of next year's targets, especially those related to materials availability, technical support, and deliveries for export and domestic markets. We must reject proposals suggesting that instead of searching for ways to intensify production we should revise plan targets, in some cases to levels below those of this past year.

The government also discussed a proposal to improve the quality of services and to restructure their economic mechanism. This is based on the fact that in spite of some positive steps we have not been able to complete the tasks set by the Sixth CPCZ Central Committee Plenary Session in 1982. To date there has been no fundamental improvement in the quality or availability of services. Neither the range, quality, availability or turnaround time for services corresponds to either the needs of our citizens or the maturity of the Czechoslovak economy. Employment in service sectors accounted for about 40 percent of total employment in 1985, a level about 20 percent below that of comparably developed economies.

The government therefore approved regulations governing the economic mechanisms of local production and service firms for 1988-1990, principles for restructuring this mechanism for local production and service firms, and material as well as systemic measures to create the conditions to support this restructuring and to increase the performance of paid services. The above regulations will take effect in local production and service firms on 1 January 1988. Kraj National Committee chairmen and the mayors of Prague and Bratislava will analyze during the year the current organizational structure of local production and service firms and implement changes designed to maximize the satisfaction of service requirements.

The government also approved a draft law on social security that will be submitted to the Federal Assembly. The draft law is based on the resolutions of the 17th CPCZ Congress, the CPCZ Central Committee Presidium, the CSSR Government, the presidium of the Central Council of Trade Unions, and the presidium of the

Socialist Youth League Central Committee from April of this year. The intent of the law is to increase in a differentiated fashion, beginning 1 October 1988, all pensions, and to strengthen merit considerations for the calculation of new pensions.

The law retains the proven and established system of retirement insurance, the classification of employment in three categories, age limits to qualify for old age pensions, conditions governing the working of the established number of years to qualify for a pension, percentage increases tied to length of service, and conditions governing employment for people of retirement age. The new draft law eliminates however two major negative aspects of the existing law concerning social security. The first of these is the inappropriately large discrepancy between the level of pensions and the level of wages at the time of retirement. This weakens the impact of merit based on length of service on the amount of pensions for employees with medium to high salaries. The second area is the differences between the amounts of pensions granted to retirees from the same wage group but who entered retirement at different times.

The government noted that this important social program is very costly and that its implementation therefore depends on meeting planned growth targets for national income, labor productivity, and other tasks critical for the information of resources to develop production to meet the needs of society.

The government also approved a draft resolution covering the legal conditions of employment for employees of international organizations based on the CSSR.

9276/9274

Czechs Call Computer Situation a 'Zoo'
24000060 Prague RUDE PRAVO in Czech 2 Feb 88 p 2

[Text] A not very well thought out development of 8-bit personal computers led us presently into a situation where Czechoslovakia assembles a large number of mutually incompatible computers. For example, schools and youth clubs are using more than 20 types of domestic and imported, mutually incompatible, computers in which the programs cannot be interchanged. Many of them are being produced by the electronics industry branch alone.

A new concept was introduced with the new 16-bit line of computers. The electronic industry will produce the PP-06 and SAPI 86 units in the less expensive XT version at the cost of up to Kcs 150,000 [at official exchange rate about \$25,000] and in the AT version at Kcs 250-300,000 [about \$50,000] with the appropriate peripheral equipment. Because the produced series will only count in the thousands, computers can also be obtained at comparable prices at the new Scientific Production Association headed by JZD Agrokombinat Slusovice. But schools cannot afford such expensive

units. Actually a less expensive computer of the Honza type has appeared as replacement for the 8-bit Ondra. It will be assembled by the Industrial Automation Plants and the two should be fully compatible. However, a need for another inexpensive "16-biter" could easily develop in the various branches of the economy, and for them Honza will be inadequate.

With the introduction of the new concept then, we have several types of personal computers and also an outlook for a small-batch production of others.

The question arises, can we really afford it or should we give preference to a more flexible, uniform system? We should bring this system of improvisations to an immediate screeching halt, much more so because, with the new import tax adjustments, we can expect a flood of more, interesting types.

GERMAN DEMOCRATIC REPUBLIC

Oil Contact With USSR
23000038b Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 24 Dec 87 p 12

[Text] Berlin, 23 Dec—As in previous years, the USSR will be delivering 17.1 million tons of petroleum to the GDR. The agreement has now been signed. OPEC countries, Iraq, Libya and Syria supply approximately 4 to 5 million tons. The FRG as well sells approximately one million tons to the GDR each year, and buys from the GDR, primarily from the Schwedt/Oder petrochemical combine, 2.5 million tons of products, mostly heating oil and diesel fuel. Two-thirds of the gasoline consumed in West Berlin comes from Schwedt. After draconic entrenchment measures, the GDR has succeeded in achieving a domestic consumption level of only 11 to 12 million tons of petroleum products and in selling large quantities to hard-currency countries, not only the FRG. The exact quantities in question are unknown, but at the high point of oil prices it could have been as much as 40 percent of the GDR's trade with the West.

12271

Year-End Politburo Report Reveals Economic Shortcomings
23000038a Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 24 Dec 87 p 12

[Article by Hans Herbert Goetz: "Signs of Overexertion in the GDR Economy: No Improvement in Sight: Consumers Dissatisfied: Market Shortages"]

[Text] Berlin, 23 Dec—The best assessment that can be made of the economic balance sheet of the GDR for 1987, which the SED leadership even discussed publicly before the People's Chamber, is a grade of "barely satisfactory," and there are many signs that developments will not be any easier in the coming year. The

difficulties that have already become discernible seem to be getting larger. In political terms, the GDR can be satisfied. Honecker's visit to the FRG was a high point, not only for Erich Honecker the politician, but also for the GDR. The visit to the Elysee Palace with French State President Mitterrand planned for early January will be a new high mark.

There is little to be felt of Gorbachev's policy of "openness" (glasnost) in the GDR, with one important exception: At their last congress, writers showed a rebellious streak before the eyes and ears of Western journalists, and even spoke out openly against the practices of censorship.

The economic picture is considerably more bleak. Regardless of how hard the party statisticians try, it was hardly possible to achieve the plan targets for 1987. The only basically positive talk is about agriculture. The fact that—as was mentioned in the Central Committee—there is not enough hard and soft cheese and that the supply situation for preserved baked goods, fresh fruit and vegetables continues to be unsatisfactory cannot be blamed on agriculture, but rather on the less efficient market. Despite difficult harvest conditions the GDR can on the whole be satisfied with the results. Although it is known that the forests are not dying in the GDR—such problems exist only in the capitalist West—the SED has for the first time at least given a figure: Damage has turned up in around 37 percent of the wooded land in the GDR.

The party leadership has had to recognize that consumers are not satisfied. The Politburo has presented a list of products that have become scarce, beginning with shoes, furniture, textiles and especially children's clothing. These are all products that are critical elements of the quality of life. The enterprises have been urged not to permit such arrears in the plan. One thing that was not said before the Central Committee and the People's Chamber is that the qualitative difference between East Berlin, the large cities and the rural areas in terms of available goods has widened.

Moreover, it was quite clear from the Politburo report that things look bad in the infrastructure, which is of central importance for an industrial state like the GDR. This is true of transportation, especially the railroads, but also road construction and industrial enterprises in general. Many of them continue to operate behind the same walls and with equipment that has changed little in 10, 20 or 30 years. It is no wonder that productivity cannot rise as quickly as the party would like it to. While in housing construction the expansion of the large satellite cities is continuing and certain progress has been made in renovating old housing structures, things are apparently not going well for industrial construction. This too has been discussed openly.

The resources that the GDR is able to make available for capital expenditures are limited and are concentrated on certain focal points that are determined politically. This is true, for example, in the "capital," East Berlin, where large numbers of construction workers have been brought in for the anniversary, much to the displeasure of the bezirks. It has already been worth the effort, as a visit to East Berlin shows; there is no doubt that the center of the city has become more attractive. But this is not treated with elation and pride outside, in the bezirks, on the contrary: The "capital" is not loved. The renovation of the main train station in East Berlin, the former Eastern Station, is swallowing up investment capital, while even more resources are required by the large ferry terminal in Muskran intended to ensure the trade in goods with the USSR, taken in part from the Baltic shipyards. The supply of cement collapsed temporarily. The signs of overexertion in the GDR economy are mounting.

Both the inhabitants and the party watch as winter approaches every year, and hope that there are no failures like in the previous year. If it was not possible to fulfill the plan for the national economy this year, then this has in part to do with the breakdown of the energy supply last winter. Mining lignite—and especially exposing the overlay shelf above the coal—is becoming increasingly difficult and expensive, and the quality of the coal is getting worse and worse: The briquettes practically crumble away.

The GDR is silent in its reports about foreign trade; despite all the organizational reforms, it is becoming increasingly difficult to offer products on Western markets that can hold up to international competition. Naturally, there are the much-praised exceptions, in particular the Zeiss combine in Jena. Threshold countries are increasingly competing with the GDR, on the West German market as well.

12271

More Comprehensive Cost Assessment for Modernization Sought

23000031 East Berlin SOZIALISTISCHE FINANZWIRTSCHAFT in German Vol 41 No 6/87 (signed to press 21 Oct 87) pp 20-22

[Article by Dr sc Siegfried Soechtig, Technical University "Otto von Guericke" Magdeburg, department of socialist business administration, and Dr Anke Schimschar, VEB construction of heavy machinery combine "Ernst Thaelmann" Magdeburg, main bookkeeping section: "Costs are an Unerring Yardstick for Modernization of Fixed Assets"]

Thoughts and Proposals on How, in the Modernization Process, Cost Assessments Can be Made Even More Effective, and What Preconditions Must Be Created

[Text] Very clearcut information on the economic efficiency of modernization measures can be gained through establishing and planning costs, as well as through comparison of costs and results of different time periods or

variants. But it does not suffice to plan modernization measures only through costing, and to evaluate the results. Rather, the main elements of modernization should also be determined from the aspect of costs.

To prepare projects, the type of cost information is needed which illuminates development trends of organizational processes or individual influencing factors according to cost categories or complexes, respectively, in past and future periods; permits a cost assessment of the technological level; indicates the cost development of selected partial processes; and in good time, demonstrates deviations from the planned cost level or cost process.

Presetting Costs for Modernization Projects

One essential side of working with costs is using the costs of the analysis of actual conditions to determine the main elements of modernization or the basic condition; the other is to use them as predetermined values for projecting the ideal condition. That is to say, goal values for modernization projects must be established and pre-set. Under this aspect, for example, it must be decided

—by how much prime costs must be lowered in order to ensure the planned reproduction of funds,

—what share costs occupy in the price of the product manufactured on the premises in order to ensure profitability,

—what current costs per service unit are caused by the new technology.

The possibilities, methods and tools for a stronger cost-oriented penetration of the preparation phase are numerous and are explained in the business administration literature. They include cost accounting procedures, cost comparisons and analyses as well as predetermined costs and their control, optimizing time and costs according to the "lowest costs" goal criterion, effectiveness and utility computations as well as cost projections with the help of cost functions.

Further Tasks for Cost Accounting

How can cost accounting contribute even better so that the modernization process takes costs into account even more? Some examples for its further perfecting are pointed out.

—The introduction of NC and CNC equipment limits the wage form tightly tied to machine running-time and the previously direct assigning of base wages to the cost units, and thus limits the procedure of surcharge accounting, which in this way becomes even more imprecise. One conclusion based on this is to use partial cost normatives or cost normatives per machine hour, respectively, in order to complement surcharge accounting, or

to replace it completely or in part. In the SKET combine Magdeburg, five cost units are at present invoiced with the help of machine-hour cost rates. Wages are included in this. The accounting basis is the running time of the machines. Their experience is that a basic precondition for this form of accounting is a precise cost unit accounting with a clearcut separation between very modern and conventional machine complexes.

—Of growing importance is a forecasting cost accounting, in order to satisfy demands with regard to establishing future costs for cost concepts and economic concepts, respectively, as well as for the evaluation of long-term measures, such as modernizing fixed assets. Through appropriate recording, storage and preparation of primary data, good preconditions can be created.

—Demands on cost accounting have also grown with regard to making available data for establishing the effectiveness of projects. Cost accounting must provide information for the analysis of the actual condition of the base variant and for projecting the desired condition. Preset costs derived from economic effectiveness goals must be oriented toward cost-favorable solutions in the development of products and procedures, and must aim at high profitability of the modernization projects.

—Further tasks for cost accounting accrue regarding its control function after completion of the projects. In operational practice, such information often can be obtained only incompletely and with an unjustifiably high proportion of estimated values. This occurs in particular when the areas to be automated are not treated as a separate cost unit. Studies of Magdeburg combines show that, in this respect, considerable problems arose among some cost units, which already became clear in the preparatory documentation.

—In order to introduce the most effective procedures, technologies and products, variants regarding costs must be determined and selected for modernization projects. To be stressed is selection of the economic variant in modernizing the production process (if several variants exist), and also the choice between two technological lines for determining the cheapest production of parts, components or products. Usually, savings in work hours is the essential criterion for the decision if the technological costs of different lines cannot be compared through cost accounting. Costs can be used as a criterion for decision-making only if it becomes possible to have the respective data available. Good preconditions can be created by establishing a data bank within the framework of an information and guidance system in the plant.

The more detailed primary data are contained in the data bank, the more information is available for decision-making, because for every decision, the reference data must be newly grouped and aggregated. This includes working out, storing and studying time series,

and for a longer period than two years as practiced at present. The cost data to be established must be determined by the total business-administrative information need of management.

Uniform Data

Furthermore, it is important that the values correspond to other economic and, above all, technical-technological data. Quantity and time values only become the basis for cost determination through evaluation. This requires a uniform data base. For the smallest units in the structural areas, the same technological, technical and economic data must be collected under technical-economic nomenclatures which are uniform, at least within the combine. Also necessary are the same timing for recording, processing and assessing the data, the same indicative value of various information on the same subject, the same forms of data recording, and the same representation in concepts, forms and organizational solutions.

All data required for a specific procedure should be available from a central data memory, for the analysis of the actual condition of a cost unit, for example, containing data on standard times, production numbers, capacity utilization, etc. Frequently, however, data concerning determination of basic material consumption and production numbers per cost unit are incomplete or non-existent, or can be obtained only through estimates and conversions to the respective cost unit.

Among other things, this also holds true for other indices, such as savings in working capital. In a study of automation projects in three combines, based on a project-specific determination of effectiveness concerning one and also several cost units, it was impossible to make a comparison of the actual and target amount and composition of the working capital, since at present they cannot be determined on the basis of cost units. This holds true for basic material, semi-finished products and, as a consequence, for the working capital and interest charges. Thus the index "savings of working capital" could be calculated only for product-related measures. In this, the study was based on machine-building production, heterogeneous and order-specific.

For calculating costs for modernization measures, this means that

—an informative data base must be available, in order to justify the predetermined values. For example, it could be long-term time series to prove cost development;

—cost accounting for invoicing scientific-technical work processes must be developed, for example, coordinating invoicing of longer-term measures with the accounting periods of cost accounting, or to gain actual data from interim balance sheets for control consultations and interim defenses in order to alter or make more precise decisions, tasks, measures, etc.

Decision-Oriented Cost Data

A further problem is the place where costs are determined. While invoice-oriented costing is primarily done in the main cost accounting department, decision-oriented cost data are largely established and used at the various managerial levels and specialized departments, if decisions are also based on costs.

The cost data required for modernization projects are almost exclusively established, collected and prepared by technologists. Made available by the cost accounting department, primary data storage, time series and calculations, for example for the duties records book, should facilitate and promote the influence on profitability and selection of variants of a modernization project. Modernization of partial systems of the production process also result in new considerations regarding, for instance, inclusion and billing of indirect technological costs. Since modernization increasingly integrates auxiliary services into the main process, the traditional autonomous recording and billing of the respective cost elements loses importance. This concerns particularly the integration of transport, storage and supply services, which are then billed on a normative basis together with depreciations and energy consumption. For a limited modernization project as an independent production unit, an analogous cost unit should be formed for planning and billing.

If cost unit and modernization project are in agreement, a good foundation is established for cost-service accounting, since costs can be controlled at the place where they are incurred in direct connection with the service in the modernization process.

9917

POLAND

Dutch Joint Agricultural Venture Initiated

26000119c Warsaw EXPRESS WIECZORNY in Polish
26 Oct 87 p 4

[Article by Slawomir Kmiecik]

[Text] Several months ago, on 23 April 1986 to be exact, the Sejm passed a law on foreign-capital companies. Up to now, there was been no rush to form joint ventures, but the first announcements of the formation of such companies are now coming in. Among such new firms are LIM Joint Venture, which will complete construction of the LOT (Polish Airlines) hotel in Warsaw; Technodiamant; Cement Technology Poland; Digital Laboratories International Ltd; and Interkotlin.

The last was established in the Kotlin Farm Production Cooperative in Kalisz Province. It will grow and export onions.

Back in 1984 the Dutch trade firm A.J. Vos en Zen attempted to enter into coproduction with the Kotlin Farm Production Cooperative. The Dutch, who procured, graded and sold farm crops, wanted to lease 350 hectares of land to grow onions. They offered the Kotlin cooperative 4,500 guilders a year for one arable hectare of land and 50 percent of the net profits. But at that time the climate for such a venture in Poland was not right.

After the above-mentioned law was passed, there were no longer any barriers standing in the way of the formation of a limited-liability company named Interkotlin, whose shareholders now are the Kotlin cooperative, A.J. Vos en Zen, and the Dutch-Polish firm Agropol Nederland.

The input of the Polish cooperative, in the form of a storage-warehouse, excluding the arable land provided, amounted to 55 percent of the plant's total capital. A.J. Vos en Zen furnished 40 percent of the founder's resources, delivering from Holland three production lines to harvest, grade and pack the onions. Agropol Nederland supplied 5 percent of the plant's total capital.

Interkotlin received permission to operate for 25 years. As already mentioned, it will grow, purchase, process and export onions. Initially, 350 hectares of land was allocated for growing, but each year the acreage will be increased by 14 percent.

Most of the onions will be exported, without the intermediation of trade offices, to West Germany and England. This year Interkotlin will probably sell over 7,500 tons of the "tear-producing" vegetable. The company hopes to make a net profit of about 200 West German marks on each ton of this year's crop.

It should be said that the company is required to sell back to the state 25 percent of the convertible currency that is earned. The rest of the joint-venture receipts from Kotlin will go for expansion of the company's operations. For example, profits from the first 3 years will be used to build a drying oven and a storage warehouse for 5,000-7,000 tons of onions.

In 1991 Interkotlin would like to sell 12,000 tons of fresh, dried or frozen onions. But here it must be noted that in Holland an average of 450 quintals of onions are harvested from one hectare, compared to about 170 quintals in Poland. In order to greatly increase the yield, Interkotlin plans to cooperate on a regular basis with the Horticultural Station in Petryki. The wealth of experience accumulated by the Dutch will also be utilized in order to increase the yield.

Measurable results will also be obtained through application of the latest growing and fertilizing methods; mechanized harvesting, grading, storing and packing; and use of seed from such well-known Dutch firms as Bejo Zaden, Royal Sluis, and Sluis en Grot.

Coproduction with Holland will help us compete with Spain, the "onion power," which recently entered the Common Market, and enable us to regain the markets lost during 1975-1982 and obtain new ones.

9295

Deficiencies, Delays Affecting Export Market
26000117c Warsaw TRYBUNA LUDU in Polish
2 Nov 87 p 4

[Article by Marzenna Spolnicka]

[Text] At last year's Autumn Fairs in Poznan the key industry offered 15.8 million garments, but this year—slightly over 10 million. The figures on knit goods were, respectively: 96.7 million and approximately 75 million. The producers say that they do not have enough raw materials or foreign exchange to be able to increase their production of market goods.

Although contracts are still being signed and there may still be much more clothing available in the shops than would appear from the orders already placed in Poznan, certain aspects of production prompt some important questions. First of all: Is it really the shortage of raw materials and foreign exchange which prevents the producers, as they say, from making a better offer? Is it really the pressure to export as much as possible?

During the 1987 Autumn Fairs one got the impression that producers are really putting their export figures above the interests of domestic consumers. And especially so in the case of the clothing and knitting industry.

Tax Relief

Enterprises, it seems, are not indecisive: they sign export contracts wherever they can. First, because if they do not have dollars they really have nothing to work with. It takes hard currency to buy machinery, equipment, additives, and chemical agents. Domestic customers do not pay in hard currency. And for every meter of cotton cloth, the factories producing clothing pay their partners a surcharge of 10-20 cents, and for wool cloth, 70 to 90 cents (in addition to zlotys). As one of the managers of a clothing factory calculated, about 70 percent of the receipts from export go for the needs of the coproducers.

The next, no less important reason for developing export, is wages. After 7 months this year the average wage in the clothing industry was around 24,000 zlotys. In the knitting industry it was slightly higher, but even so it was much below the national average. If the 12 percent threshold of the growth of the wage fund is exceeded, a 500-percent penalty applies. Exporters have preferential treatment in this regard. Other preferences are also very important to an enterprise's payments situation—especially the tax reductions for enterprises which export.

The effect is such that clothing industry factories plan to produce 68 million pieces of clothing this year, but only 38 million will be for the domestic market. The knit-goods producers, who will be short about 50 million pieces of clothing to fulfill the plan, are allocating 40 million pieces for export this year (even so, 10 million more than had been initially planned), and the domestic market will receive 210 million. Exports of hosiery products will also be much greater than had been planned (over 20 million pieces). Next year the enterprises want to go "even deeper" into export. In the clothing sector there is no factory which does not ship its products to foreign buyers (the better-known companies export as much as 60-80 percent). The knit-goods producers are trying harder and harder to export more. Jan Dur, assistant director in the Department of Market Production and Planning in the former Ministry of Chemical and Light Industry, says that light industry must now look at the development of export in terms of "to be or not to be."

We Cannot Grow Cotton

The underdevelopment of our raw-materials base and the lack of machines and spare parts means that the raw materials have to come from abroad. Five million Polish sheep produce scarcely 30 percent of the necessary wool. We must import 100 percent of our cotton from the first and second payments area [socialist and capitalist countries, respectively]. We also buy 12 percent of our chemical fibers for hard currency. Many factories operate entirely with foreign raw materials and machines.

Light industry needs US\$370-380 million a year just for textile rawstuffs. And export is approximately US\$100 less than that. Therefore, import of some basic raw materials, as for example, cotton or cotton and cotton-like yarn, and wool, is financed from central funds. The rest the enterprises have to buy themselves. But because the state treasury will not have an abundance of money for a long time, it is expected that in the years that follow the list of goods which are centrally financed will be reduced.

Industry's complaints also pertain to the regularity of deliveries of raw materials. This year the knitting factories which produce to fill government orders waited for raw materials until April. Lech Prysinski, chairman of the Tricot Association council, and Konrad Tomaszewski, chief trade specialist, report that just during the first 6 months, the production shortfall was 8 million pairs of stockings, socks and pantyhose. To fulfill the plan, 725 more tons of knitted fabric was needed, and out of each kilogram five pieces of clothing can be made. Last year, as we learn from the former light industry ministry, raw materials valued at US\$120 million were not imported (that is why factory stocks dropped so drastically). This year there continues to be a shortage of

raw materials valued at US\$70 million, as indicated in the National Annual Plan. Instead of having monthly stocks, factories often have raw materials for only 3-7 days of production.

The deficiencies also pertain to domestic deliveries. After 8 months, 1,700 tons of cotton yarn, 2,700 tons of wool yarn, and 5,800 tons of chemical fibers have not been delivered.

The justifiability of industry's complaints is confirmed by the Planning Commission. Particularly in the first quarter there were long delays in deliveries of imported raw materials (the hard currency had to be used to purchase grain) and even after 8 months deliveries are far from being on schedule. The only good thing is that enough contracts were signed that most of the arrears will be made up by the end of the year.

The Stopper for Export

Our economy is hungry, so hungry that it will swallow every amount of foreign exchange. For the dollars or pounds we earn, we have to pay our debts or the interest on them, and import indispensable raw and other materials. Furthermore, export is essential if we do not want to extend the distance dividing us from other countries in new technologies, modeling and quality.

I, too, am in favor of an expansion of export. But I have the following reservation: that it not expand at too large a cost to the market. And I am not interested in reining in the too-zealous light-industry exporters for fear that the market will become depleted (although judging from enterprise plans, these fears are not groundless). On the other hand, other industries should be subjected to the same export stimulators.

One more thing: In our circumstances there cannot be a great conflict between export and the consumer-goods market. Certainly, some temporary, occasional collisions may occur. But for the long term, export should stimulate the development of market production. If the "escape to export" seen in Poznan is not to endanger the second stage of reform, economic mechanisms must be put into place to enable producers from other nonmarket branches of the economy to enter into export. Then, liking export, we will not turn our backs on our domestic customers.

9295

Price Policy Changes Needed for Foreign Trade Expansion

26000117a Warsaw TRYBUNA LUDU in Polish
14-15 Nov 87 p 4

[Article by Jerzy Sieradzinski]

[Text] The openness of our economy to foreign cooperation and above all a growth in export, demands that our present econo-financial system in foreign trade be thoroughly and rapidly restructured. Changes must be made

which will bring our enterprises into a closer relationship with foreign trade and the economic results that stem therefrom.

The use of a compensation account, which was supposed to immediately make up the differences between domestic prices and costs, and the prices obtained for export and paid for import of certain products, will be discontinued.

An End to the Stopgap

Just as every stopgap, it gradually became a permanent instrument for granting supplements to unprofitable export and collecting charges against import, going far beyond the role originally assigned to it. This is how, using budgetary funds, the enterprises' economic figures were revised, reducing their sensitivity to the real effects of their export operations—sensitivity to production costs as well as to the foreign-exchange prices obtained for specific products. Such a system of supplements and charges had a distinctly inflation-producing character and often our export was opened up to accusations that it makes use of the repudiated practice of supplementing the prices of goods.

Therefore, important economic considerations as well as the fact that our country is a member of IMF and the World Bank, require that our system of settling accounts in foreign trade be adapted to conform with accepted world practice.

This process has already been begun. It is being implemented through liquid rather than sudden and large changes in currency-exchange rates (dollar and ruble). Soon a correct exchange-rate policy should ensure the profitability of at least 80 percent of our export. In practice, the currency-exchange rates must be changed, and are being changed, at a rate faster than the rate of inflation. In the future this should lead to convertibility of the zloty.

The second element in controlling foreign trade is price policy. The range of application of official prices is being greatly narrowed (now from 9.5 percent in export and 19 percent in import—to below 5 percent combined next year). On the other hand, contractual prices will be generally applied, based on transaction prices in effect on world markets.

Use of a liquid currency-exchange rate and broad application of contractual prices means that the compensation account in its present form will simply be unnecessary. Subsidies to export will be steadily reduced, which is already being reflected in the cashier's office.

The 20 percent of the goods exported and subsidized mainly include farm-food products. Starting next year, a uniform farm subsidy will go into effect (various lump-sum rates for goods exported to the socialist and capitalist countries), which is supposed to equalize the economic conditions between the exports of farm-food products and industrial products.

Judging realistically, there will still remain a certain group of export goods (excluding agriculture), to which supplemental payments will still have to be made. These enterprises will receive uniform supplements, except that the amount will be specified for several years and will be clearly degressive.

Although the farm subsidy, which is intended to equalize the economic conditions for this group of producers, is being regarded as profitable export, the enterprises exporting industrial products and benefiting from supplemental payments will have to bear the financial consequences stemming from this. For example, a reduced rate of allowances for the retained hard currency earnings allowance (ROD) will apply to them, their tax allowance will be cut in half, and they will no longer be able to receive prizes for export.

Import Without Assessment of Charges

The changes also apply to the policy of supplemental payments and charges in import. Elimination of official prices somewhat automatically solves the matter of supplemental payments for import. In special cases, e.g., import of medicines, the minister of health will pay these supplements and not the ministry of foreign economic cooperation.

Insofar as charges in imports are concerned, they will continue to be applied in purchases from the first payments area [socialist countries]. Of course, until the system of prices, exchange rates and settlement of accounts within the CEMA is restructured.

In import from the second payments area [capitalist countries], implemented by enterprises with their own funds from ROD, there will be no charges. However, charges will be in effect for import implemented out of central funds. But after all, this kin

In import from the second payments area [capitalist countries], implemented by enterprises with their own funds from ROD, there will be no charges. However, charges will be in effect for import is import is clearly on the decline.

It is anticipated that there will be no charges at all in export. They will be finally eliminated at the beginning of next year.

The director of the economic department in the ministry of foreign economic cooperation, Jozef Najdek, reported on 13 November that the discussed changes in the

econo-financial system in foreign trade, which require the issuance of many new executive regulations, are being made gradually and should result in amendments to pertinent laws on the financial management of state enterprises. It is expected that as of 1 January 1989 an Export Production Restructuring Account will be applied, which will be set up already next year. The application of this account will coincide with the amendment to the customs law and the application of a new customs tariff.

9295

Article Claims System as Well as Prices Needs Change

26000098b Warsaw *POLITYKA* in Polish No 45,
7 Nov 87 pp 1, 5

[Article by Jacek Poprzeczko: "Price Increases—At What Price?"]

[Text] The announced "restructuring of prices and incomes" during the second stage of the economic reform is bound to trigger many questions and doubts. We recall the restructuring that had accompanied the commencement of what is nowadays termed "the first stage," and what had in 1981 been simply termed the reform, in the expectation (and on making declarative statements) that it would bear the desired fruit within 2-3 years.

The arguments advanced at that time to justify the price operation were the same as those used now: the need to create the proper foundations for cost-effective accounting, the adaptation of price ratios to socially necessary outlays, the curtailment of subsidies, and the desire to attain a balanced consumer goods market.

The question is thus bound to be asked: why had that operation failed, or at least why did not it produce satisfactory results? Showing that it had failed requires no thorough analysis—sufficient is the fact that we are once again confronting a similar operation, although certainly on a smaller scale. Of course, the next question that arises is: what are the guarantees that this time the operation will succeed?

Ever Higher Prices

What does it really mean when it is said that the price structure in Poland is improper? Is there some paradigm of a correct structure providing the criteria for defining it? Since restructuring is being mentioned, it also is necessary to know what is to be structured?

What is the viewpoint of the central authorities, which are to perform the price reform, on this question? On the basis of official declarations and less official talks which I had the opportunity to conduct, I can recreate the following line of reasoning: the main purpose is to create

a system of incentives for producers which would stimulate them to increase output, adapt it to demand, and streamline their outlays. This requires curtailing subsidies, which distort cost-effective accounting, and from the ground up at that, because the prices of, among other things, basic raw materials and energy are being subsidized. The use of subsidies on a huge scale (currently they account for more than 40 percent of the expenditures of the [state] budget) causes the prices of some products to be too low (below their production cost) and of others to be too high. That is because the money for the subsidies has to be gotten somewhere, and so it is gotten from the aggregate net earnings (difference between price and cost) attained by profitable producers.

Given such a "bipolar" price structure, some enterprises live off subsidies and are chiefly concerned about getting ever increased subsidies, while others, which operate more or less profitably, cannot feel rich and avail themselves of their liquid capital because the lion's share of their profits is appropriated by the state exchequer. This restricts self-financing of enterprises and hence also their autonomy, and suppresses their initiative.

And hence, it is being said, let us stop giving and taking, or at least let us reduce the scale of these measures substantially and assure a more healthy structure of prices and costs. Since a considerable part of the subsidies goes to subsidize food prices, increases in these prices will be needed, and the resulting distress will be alleviated by compensation payments. In this connection, increases in the prices of raw materials and energy (which affect the cost of successive production stages in industry) will result in that the true costs will finally become known, the more so because these prices will be linked to prices on the world market. It will thus be possible to determine, on the basis of cost-effective accounting, when exports of raw materials are more profitable than their domestic consumption and vice versa.

Let us now consider the consumer's point of view. Since some prices are too low and others too high, the price increases should be accompanied by price reductions. If food prices become higher, will the prices of passenger cars and television sets drop? Well, that is not possible because in nearly every domain demand exceeds supply in this country—the market for durable consumer goods in this country also is lopsided. Thus prices can only go up, although not to an identical degree, and this is precisely how changes in price structure are to occur.

Here we arrive at the other fundamental reason for the price increases—the absence of market equilibrium. No price system leaving such a disequilibrium in place can be considered correct. The same goes for a price system—and one that would be very easy to introduce—under which demand must be adapted to limited supply, that is, under which production is limited and sold at high prices and merchandise is available on store shelves, but only some buyers can afford it. It appears

that the planned price operation will consist in maneuvering in between these two extremes—the market disequilibrium and a market equilibrium eliminating too large a group of buyers from the market. In this connection, the price policy must be differentiated depending on the kind of market and coupled to an income-shaping policy, for considering the “elimination” of anyone from, e.g., the market for staple foodstuffs is simply inconceivable.

The Same Thing All Over Again

But how many times do we have to do our homework all over? The abovementioned irregularities characterized the price structure at the threshold of the first stage of the reform. They were to be eliminated by an operation similar to that awaiting us now. How did it happen that we have again found ourselves in the same quandary? Following certain accomplishments during 1982-1984 in curtailing subsidies and restoring the market equilibrium, the scope of subsidies again began to grow, while at the same time inflation again reared its head. This last fact is particularly irritating, especially in face of the prospects for yet another round of major price increases.

And hence, why was it a failure the first time? In a nutshell, because of the absence of any mechanism providing incentives to producers for more streamlined and efficient management and attentiveness to the needs of consumers; instead, a different mechanism, that of a barren chase of prices after wages, had been put into operation. What of it that the prices of producer goods (of raw and other materials, etc.) were increased, considering that manufacturers have been able to raise the contract prices for their products proportionately to the attendant rise in production cost? As for those manufacturers who lacked the right to apply contract prices, they began to operate in the red and clamor for subsidies. In their turn, consumers, hurt by the rice increases, demanded wage increases and got them in such amounts that the overall increase in incomes outpaced the increase in output. This was bound to further intensify inflation. Despite various maneuvers, it was not possible to curb the general rise in production costs owing to the rise in the cost of producer goods, or to halt the excess money supply which upset the market equilibrium on the demand side. Given the high degree of market monopolies in the economy and the lack of competition, enterprises charged every rise in production cost either directly to the consumer, by dictating higher prices to him, or to the [state] budget by demanding tax credit or subsidies. Of course, I am greatly oversimplifying this description of the entire mechanism, singling out only the elements that are most discernible. What concerns me is to demonstrate in the simplest manner possible that the change itself in the price structure, as consisting in selective price increases will, in the absence of radical changes in the economic mechanisms, merely cause adaptive processes leading to a return to the old structure, or to a similar one, except that the levels of both prices and incomes will be higher.

Chaos or Control?

This raises a question that has often recurred in the present discussions: to what extent should the determination of price relations be a task of the central authorities? Is the price system something that can be conceived in the abstract and decreed? When we speak of “proper” and “correct” prices, should not these be simply determined by market forces rather than by the bureaucracy?

If the desire for a market equilibrium is to be the criterion, in theory two roads are possible here. Either prices should be allowed to be regulated by the natural mutual adjustment of supply and demand or this process should be controlled to a greater or smaller extent. I understand and partially share the apprehensions of the central authorities concerning uncontrolled market forces, especially in our present Polish conditions. First, we would have to pass through a stage of a price chaos whose manifestations and intensity would be difficult to accept by the society. Second, the equilibrium between supply and demand that would arise from such chaos would probably be characterized by the virtual inaccessibility of certain kinds of goods to large segments of the society. Lastly, total reliance on such chaos threatens a hyperinflation. If prices are not to be controlled, then, e.g., wages should be closely controlled.

But, truth to say, I fear the chaos of the bureaucracy more than I do the chaos of the free market. That is why I believe that the currently proposed concept of a preliminary ordering of price relations (which, let us stress, is linked to the intention to gradually curtail [the state's] intervention in prices in the future) is acceptable, provided that certain conditions be met. Such an ordering is needed at present, and I had believed in its necessity 6 years ago too. But, since the second stage of the economic reform has proved inevitable, I wish we would avoid a third stage. In all fairness, it must be admitted that something was indeed accomplished during the first. Whatever else might be said, the state of the market equilibrium now is better than it had been 6 years ago, and certain price absurdities have been effectively eliminated, and hence the start line is more favorable now.

What Should Be Done?

Thus the point is that our race from that start line should not again be aborted. If prices are to motivate producers to streamline their performance and consumers to make more sensible choices, then both producers and consumers must have broader freedom of action. I do not like the term “economic duress,” and it is precisely economic freedom that seems much more important to me. During the first stage of the reform, bureaucratic chaos had, in its fear of the market chaos, and also of the elemental reactions of the society, curtailed the freedom of theoretically autonomous producers to such an extent that,

instead of competing for the favors of consumers, they competed with each other for tax credit, subsidies, and allocations of raw materials.

The command-economy system was superseded by an acknowledgment-bargaining system. Under such a system, price maneuvers could not accomplish the desired result.

Thus the point is not to change the prices but to change the system. I agree that the ordering of price relations, and especially the curtailment of subsidies, is a necessary prerequisite for this. But curtailing subsidies must be linked to curtailing the redistributive function of the state budget, altering the tax system, and assuring a genuine autonomy and self-financing (from their own capital and from loans) of enterprises. In addition, freedom of capital flow and the ability to autonomously decide on changes in production profile should be assured. Activating the mechanism of competition requires demonopolization as well as assuring a genuine equality of rights of the different [socialized and private] sectors and introducing and adhering to the principle of a free access of all producers to the market. The central authorities should abandon direct intervention in the activities of enterprises.

This can hardly be called new. All these matters have already been decreed by legislation during the first stage of the reform or are about to be legislated during the second. First, however, certain regulations (and I especially mean those yet to be legislated) should be worded more boldly—this concerns especially equal rights for all [private and socialized] sectors, freedom of economic initiative, and the formation of a capital market. Second, the point is that systemic changes should be introduced in deeds, not in words on paper, and that the current (as well as longrange) economic policy should not conflict with them. During the first stage it was the price operation that was implemented most boldly. Depending on whether an equal boldness will be demonstrated in implementing systemic changes, we shall see whether we had during that stage forfeited our last or our penultimate opportunity.

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Lwow, Przemysl Firms Sign New Interfactory Agreement

26000117f Rzeszow NOWINY in Polish
22 Oct 87 pp 1, 2

[Text] The friendly contacts between the workforces of Vistula Garment Industry Factories in Przeworsk and Majak in Lwow date back to 1979. Both of these enterprises, one of the first Polish-Soviet pairs of cooperating factories, in 1985 began a regular exchange of groups of workers and specialists, for direct, on-the-job experience.

On 21 October in Przeworsk an agreement between the two factories was signed for the years 1988 and 1989. It opens up a new chapter in the history of mutual contacts.

In accordance with the agreement, Vistula and Majak enter an international, interfactory work competition which will be judged every 6 months based on agreed-upon criteria. On the other hand, three times a year there will be an exchange of groups of workers and specialists who will obtain foreign experience directly on the job.

The agreement also states that in December of this year, the Soviet side will present a collection of fabrics and tailoring findings, from which Vistula, in 1988, will sew an agreed-upon range of products intended for both the Lwow and domestic markets. In exchange for this, the Przeworsk factories will make patterns for decorative appliques, buckles, etc., for products produced by Vistula. The Lwow enterprise will also produce and make available a collection of children's and ladies' garments which Vistula can produce.

Both parties are convinced that work competition, an exchange of experience, and coproduction will bring mutual benefits and advantages and at the same time contribute to closer friendship between the workforces of the two kindred factories.

9295

Polonia Firm Obstacles, Zielona Gora Situation Described

26000119e Zielona Gora GAZETA LUBUSKA
in Polish 31 Oct-1 Nov 87 p 7

[Article by Malgorzata Kordon]

[Text] Foreign enterprises, or in other words, Polonia firms, continue to arouse distrust, even though they have been operating for several years. One may also get the impression that they are regarded as a necessary evil which there is no way of eradicating. This assertion is not without basis.

In the resolution passed by the Provincial People's Council in Zielona Gora, affirming the provincial Socio-economic Plan for 1986-1990, a program for the development of small-scale manufacture and services was also affirmed. It also mentions the equality of development for all sectors of small-scale manufacture. One need only take a closer look at it to determine that the large reductions affect Polonia firms. Or actually, affected them. The draft program for the second stage of reform envisages changes in the way the foreign enterprises function. Some of the changes have already been made this year, but about this, a little later. Returning to the resolution, let us recall that the turnovers planned for 1990 will total 3.9 billion zlotys, which is an increase of almost 93 percent over 1985. The number of employees in the final year of the current 5-year plan may not exceed

the limit specified in the permits already issued, i.e., 1,050 persons. It is envisaged that during 1986-1990 the number of foreign enterprises will remain at the 1985 figure.

All of this has been turned upside down, but we really do not know why. Explaining these reductions with the argument that there is a labor shortage may pertain to a few towns in Zielona Gora. In any case, in 1986 the Polonia firms employed 722 people, i.e., far less than the limit.

In June of this year the Provincial People's Council industrial committee for local small-scale industry and services rated the operations of foreign enterprises in 1986. The rating is favorable, although it contains some errors, as, for example, the charge the production is not in conformance with the permit. The committee also admitted that some of the provisions in the program are, at the least, incorrect. Revisions were prepared and on 21 September at another meeting of the committee a draft of changes was approved.

In short, the limitations and restrictions placed on the Polonia firms were deleted, although permits will not be granted for all types of production or services.

Also, guidelines from the government representative in Warsaw were received. The guidelines contain a list of preferred types of operations by Polonia enterprises and the areas of the country in which they should expand. It may be said that this is an attempt by the authorities on high to settle this problem.

Preference will be given to the production of products intended for export, with particular emphasis on electrical machinery products, the import of new technologies, the production of anti-import products, and products listed in government orders and operational programs. The production of medical apparatus and equipment is looked upon favorably, as are sanitary and pharmaceutical products. Further, the manufacture and regeneration of spare parts for machines and equipment and means of transport. Preference is also given to the utilization of domestic secondary raw materials and the production of energy-intensive equipment, substitute energy sources (peat, waste wood, biogas) and equipment with which to burn them. Operations connected with pollution control can also be expanded, as well as those connected with sports and tourism. Still further, the production of building materials, packaging, and sports and tourism equipment.

Polonia firms should be established in places with up to 10,000 inhabitants and in areas which have unutilized secondary raw materials. This, too, is a Warsaw decision, although it is difficult to agree with the first part.

In 1985 in Zielona Gora Province there were 11 foreign enterprises. There are now 9. One was liquidated and two of them merged. Soon there will be a new one, which

will import and assemble equipment for the production of biogas. But interest in establishing these types of firms—and not just here—is negligible.

In Zielona Gora this situation was certainly caused not by the unfortunate provisions in the program for the development of small-scale manufacture and services, but just as everywhere else, by the high income tax on profits—80 percent. Yet although the Czechs, Germans and Russians compete with the Poles, their taxes are lower.

The guidelines mentioned indicate that although the provisions regarding foreign enterprises have been eased, they apply only to those plants which undertake preferred production. For example: in the case of export and anti-import production, income tax reliefs will be granted. It will also be possible to obtain exemptions from import tariffs for strictly defined goods. If the enterprise undertakes preferred operations and commits foreign-exchange investment funds in such a business in addition to and above the legal minimum, it can be exempted from all or part of the income tax for a period of 3 years.

The government representative's guidelines, although it is not possible to cite all of them, are aimed at creating stable conditions for the development of foreign enterprises and will be in effect until the end of 1990. It is to be expected that the second stage of reform will bring further, still more liberal, decisions.

Returning to local matters, it is hard to determine why the committee concerned itself with Polonia firms. It may be that the new guidelines prompted them to do so. That is not important. The point is that the Provincial People's Council members made a false start. They rushed so quickly to affirm the plan that they did not notice the unfortunate provision. Today this provision is obsolete. Fortunately.

9295

Katowice Firms Sign Multiyear Environmental Cleanup Agreement

*26000117d Katowice TRYBUNA ROBOTNICZA
in Polish 26 Oct 87 pp 1, 2*

[Text] We are impatiently demanding progress in environmental protection in Katowice Province. This is understandable, because pollution has become a real obstacle to the development of Silesia and to the normal life of its residents. Meanwhile, the size of the problem, which is to alleviate the ecological situation in the Upper Silesia Industrial District, requires time and consistency.

The assumption that the "Multiyear Environmental Protection Program for Katowice Province," will continue to be implemented long after the year 2000, is not at all conservative. During a period of just a few years, i.e., until 1990, it will be possible to clean-up only 15-20

percent of the environmental problems, and another 30 to 40 percent by the mid-1990's. And even then, only if the tasks listed in the "multiyear program" are implemented consistently and on schedule.

Is this really taking place? In accordance with the extent of the ecological problem in Silesia, the Katowice governor entered into an agreement with 156 workplaces to implement the tasks contained in the "multiyear program" at a sum of over 77 billion zlotys. They are to be completed by 1990. Most of them have already been begun or are well underway. For example, as regards air pollution, 124 capital projects have been begun, for which over 19 billion zlotys have already been expended. The construction of 117 sewage treatment plants now underway has cost 21 billion zlotys so far. And several billion zlotys have been spent on endeavors connected with protecting the earth's surface. It should be added that most of these tasks, if they meet the requirements of an investment which is in an advanced stage, are financed from the Environmental Protection Fund to as much as 40 percent of their costs.

Thus the speed at which the program is being implemented is good, which does not mean that it is 100 percent satisfactory. There are plants which are ahead of schedule in implementing the program, but there are also those which are not doing as well in obtaining the necessary facilities and equipment. In a climate in which public pressure is being applied to improve the environment, there fortunately are no plants to whom pollution control is a matter of total indifference, as has been the case in the past.

But we have to realize that demands on industry will continue to grow. Industry must not only be able to cope with the list of ecological tasks already assigned to it, but it must also be able to cope with the tasks which are constantly being added. At present, another component part of the program for the improvement of the ecology in Silesia is being put in place—a section of tasks pertaining to municipal management and the natural environment. The multiyear program is being further supplemented by a problem now being discussed: more rapid elimination of mining damage and a system of environmental control based on monitoring, i.e., the latest automatic observation of the state of pollution of the air, water and soil. The program will also contain a system, now being completed, for counteracting extreme threats to the environment and a topic connected with determining the relationship between the health of the people and the degree of environmental contamination.

The multi-year program, therefore, is not sitting in a drawer but is alive and growing. It must be a success, for there is no other alternative for Silesia and its residents. It would be well if it were not only implemented on schedule, but also accelerated for the common good. Thus far, its execution is being scrupulously supervised and enforced by the Province Administration Office. And the ecological cadastre, being established in the

Department of Environmental Protection and Water Management, covering all enterprises (including the private ones) in Katowice Province, will soon make it possible to not only quickly obtain current information in a particular workplace, but to follow progress in the ecological tasks undertaken.

The success of the multiyear program, therefore, depends on the managers of individual workplaces as well as on the really rigorous ecology policy of the Katowice Province authorities which does not permit the unwarranted expansion of industry in an area already as devastated as the small and highly congested region of Silesia.

9295

Construction Workers Speak Out on Brigade Work System

26000117e Jelenia Gora GAZETA ROBOTNICZA
in Polish 28 Oct 87 p 6

[Text] The greatest virtue of the brigade system is that it makes good sense. A group of workers is supposed to do a specific job and in return receive an agreed-upon sum of money. This is the best and simplest way to encourage construction company employees to do better work. But only a few enterprises have decided to accept this solution. Why?

"For more productive work, more money has to be paid, and this makes it impossible to limit the growth of the wage fund to 12 percent annually," says Romuald Bal-
sewicz, assistant director for economic affairs at Zachod Military Construction Enterprise (WPB). "Knowing that we may be taxed on above-norm wages, we decided, nevertheless, to take the chance. We gave a sigh of relief when on 7 September wages for partnership groups, also called "agency" brigades, were exempted from this tax." This directive was issued much too late.

WPB Zachod signed a contract on 1 March with 12 employees, who agreed to erect a large building in the Na Ostatnim Groszu [Down to the Last Penny] housing community for approximately 6 million zlotys. As usually happens, this had its problems. But on the whole, the brigade system did not do badly.

Brigade member Stanislaw Wolak: "We ourselves see to it that our work is organized properly. Everyone works. One person checks on the other. And that is why we get irritated when something cannot be done. From July to May we had problems with materials. For 2 weeks we struggled to lengthen the crane trackway. Then it turned out that the feeder cable is too short. I could name a few more things. What is most important is that we are the ones who want to complete the contract as quickly as possible."

Rigger Andrzej Szczepkowski: "Our friends say we make more money, as much as several thousand zlotys a month more. Others shake their heads and say, why all this effort. It is better to 'moonlight'—do work privately using the company's tools and materials. Sure, we come to work on all free Saturdays and often stay until dark. But nobody complains. We know what they are paying us for. The payment is net and clear. And that is fair."

Crane operator Jan Wojtas: "When someone taunts us that we're going to be 2 months late in finishing the job I begin to be irritated. Even though we do everything in our power, there are some things that we have no control over. But we have to remember that we began from the ground up and we are putting up a building with 1,016 rooms. There will be about 300 apartments in it. In the past this would have taken 36 months."

Welder Ryszard Juszczak: "The brigade system, I believe, is profitable for all construction enterprises. But we have to stop and think about how we can make the suppliers, accountants and supervisors a part of it. But only as many as are really necessary. We would willingly agree to this, because then we would not have to worry about anything."

In short—the motivation to work is there. The problems have their roots beyond the construction site. It may be that the "agency" system will begin the restructuring of the organization of the construction enterprises. May this happen.

9295

ROMANIA

Problems With Thermal Power Plants Discussed 27000041 Bucharest ROMANIA LIBERA in Romanian26 Nov 87 p 2

[Article by Eliade Balan: "A Top Priority Task: All Thermal Power Plants at Programmed Capacity"]

[Text] Essentially, the principal characteristic of this season is achieving the plan for socio-economic development for the current year and getting ready for next year. Keeping in mind the importance of this objective, the question of energy supply becomes particularly critical as industry must be supplied with the planned levels of energy in order for the economic processes to proceed normally. This means, first and foremost, a concerted effort by all collectives of workers in the energy field so that all energy producing units function at peak capacity and output. We must add, moreover, that this has to be achieved immediately because a factor aiding those working in energy supply is that this is also the time of year that does not create—at least not yet—serious difficulties for those working in thermal power plants. In other words, now is a good time in energy production to achieve a quantitative leap so every electrical power

plant can achieve its planned targets, one of those being energy output. We will now address our remarks to the activities of energy producing units which are coal-driven, namely the thermal power plants. This is because there are fewer problems for these producers as their power sources are far superior to those power plants which rely on hydrocarbons or are water-driven, namely the hydroelectric plants. We say that because currently the contribution of the hydroelectric plants is at a minimum due to the shortage of water in the reservoirs. Given this situation, the thermal power plants must cover—pretty much alone—the peak power demands of the national energy system. This, in turn, means that all plants must be in good working order.

Talking with a number of people and observing work in some thermal power plants, we can say that there are collectives which keep their equipment functioning at high levels. For instance, the power workers at Isalnita, Mintia, Onesti-2, Oradea and Holboca-Iasi come to mind. They have succeeded in almost meeting (and in some cases, surpassing) programmed output, thereby achieving important savings in electrical energy. The value of the results obtained can be explained logically by the value of the work expended, and by the organization and discipline of the corps of specialists and workers at each of these plants. If, as with the first of these examples, one cites experience as the dominant factor in these achievements, that explanation certainly does not apply to the Holboca-Iasi thermal power plant which has been in operation for just a year. Indeed, practice proves that when there is dedication and responsibility regarding what you do, nothing is impossible. We say this, but more importantly, those in Iasi say this—workers who have their plant operating at an output that is above the average for all thermal plants, and this with the equipment and the installation all Romanian-made, and the lignite from our own mines and quarries.

We observed the central, the way it managed its coal supplies even before the plant itself was in operation, and we anticipated, based on what we had seen back then, that the thermal electric plant would become a model, a fact rapidly confirmed when it did go into operation. This may surprise some, but it really should not, because they assembled a team of the first order, a collective which realized from the very outset that its primary duty was to achieve the maximum savings of energy. And since we mentioned experience earlier, we should also make note here of the workers at the Isalnita thermal electric plant. For years they have constantly maintained a superior level of production. There is not time to examine the fundamental operational methodology of this collective; it has been well-documented in other articles. However, what should be pointed out is the speed with which they can repair breaks in the boiler pipes. Although it is normal that such breaks require about 40 hours to repair, the repair teams at this power plant can perform the task in only 15 hours; the time saved is more energy produced.

What we have noted up to this point is not intended to give the reader the idea that the general situation at thermal power plants is as described for Iasi and Isalnita. In fact, overall, the results are below what should be achieved. It is true that if you compare the average power output for coal-fired power plants for the period 1-20 November 1987 with the same period in 1986, the figure climbs from 2851 megawatts to 3085 megawatts. On closer analysis, however, this power represents only one half of output capacity, a factor that leads us to the conclusion that the output from these power plants is truly at reduced levels. There are many thermal power plants where the average output does not even total half of what has been programmed. There continues to be equipment out of service at the Rovinari, Turceni, Doicești, Dobreta Turnu-Severin and Paroseni thermal power plants (the Giurgiu power plant is totally shut down for repairs) even though capital and operating repairs were made at many of the above plants this year.

It is difficult to understand how this situation can persist considering that by now, all the power plants should have been operational and the power network in our country benefiting from their output. Even worse, compared to what they produced last year, the power plants under discussion have shown a decrease in energy production, some of them operating at less than one quarter of their output capacity. There is an explanation here and it is poor attention to repair work by the specialized repair crews, coupled with inept use of the equipment by plant personnel.

Time and again we have urged that all energy producing plants have their own repair crews so that the plant managers could make rapid use of their skills. And even at some power plants where this has been done, there has not been the slightest effect so far due to poor organizational planning. In this regard, the example should be the experience at Isalnita that we mentioned earlier which has been very effectively used, as well as the experience at the Craiova-2 plant.

To give a more complete overview of the current situation of thermal power in our country, we must not skip over the newest developments in the plan. Of course, we are referring to the latest events, among which is the construction of the first stages at the power group no 7, a 330 megawatt installation at the Turceni thermal power plant. This event has double significance; it will increase the output potential of the thermal power plant and at the same time, the block will employ a number of technical upgrades, among them finned pipes from the boiler. We should also mention technical testing at power group no 6 at the Govora thermal power plant and group no 2 at the Holboca-Iasi thermal power plant. At both plants, work is progressing at a rate that will contribute to prompt completion of the operations required prior to bringing the power groups on line. A similar situation exists at the Dobreta Turnu-Severin thermal power plant where tests have begun at the no 3 energy group.

As you can see, the tasks before power plant workers are especially demanding. To solve all the problems as quickly as possible demands an advancement in clarity of purpose and depth of commitment in activities over the upcoming months. This is true both for fully using existing potential as well as bringing new production units on line. Necessary too is the participation of miners in mines and quarries so that the coal has as high a caloric value as possible and an ash and humidity content in line with established standards. It is in the interest of the national economy, in our own interests and in the interest of everyone that all thermal power plants function at programmed capacity.

12280

Recent Developments in Bucharest Postal Service
27000037b Bucharest ROMANIA LIBERA in
Romanian 12 Nov 87 p 5

[Interview with Gheorghe Mihalache, director of the Postal Directorate of Bucharest Municipality, by Mircea Scripca]

[Text] [Question] Concurrently with the urban development of Bucharest there has also been an increase in the demands of the population for various postal services. What measures were taken for adequate satisfaction of these demands? [Answer] The Bucharest postal offices have to cope with an increased amount of postal transactions, whose volume in peak periods reaches about 1-8 million a day. The handling of such a volume of mail that comes in and goes to various localities in Romania involves a special effort on part of the entire personnel and also proper measures to expand the network and better the activity in our units.

[Question] What new postal offices were opened in Bucharest?

[Answer] In line with the construction of new housing facilities, some postal offices in existence moved to new locations and others were set up in areas where the need arose. For instance, Postal Office No 18 moved to new premises in the Baneasa-Herastrau area, assuring all the kinds of mailing services. Also, Postal Office No 8 in the Berceni District moved to new premises. Two new postal offices opened in the Ghencea area, at 4 Cristea Vladulescu Street, and in the Vacaresti-Colectorul area. Now under development are the headquarters of more postal offices, located in the new apartment blocks in the areas of Muncii-Socului Boulevard, Cosbuc (Rond) Boulevard and Cringasi, next to the farm-foodstuff complex.

[Question] What is being done to improve service and increase efficiency?

[Answer] Measures were taken along this line primarily to enhance our workers' attention to each mailing operation, to strict observance of the duration of mail processing and delivery, to enhancing order and discipline

at the place of work. A major factor in our activity is the support given by the Directorate for Postal Transportation, equipped with modern mechanization and automation facilities for dispatch, processing and sorting of the mail. As for telegraphic service, all Bucharest postal offices have been provided with Gentex installations. These assure instant transmission-reception of a telegram, eliminating the delays specific to various transits under the old system.

Moreover, the postal counters with heavy business and the congested offices were provided with adequate equipment which has halved the time needed for the operation involved.

[Question] Noting these efforts, it should be pointed out that at some postal offices—especially in peak hours—there is a longer waiting time.

[Answer] True, such situations still exist, in spite of the measures taken, especially due to the lack of concern on part of some heads of postal offices in terms of wise utilization of the existing personnel. Hence, we shall focus on ensuring—in peak hours—prompt shifting of workers from other jobs to the desks involved with the public, such as those for parcel delivery, money orders and subscriptions.

We also focus on the workers' attitude in relation to the customers.

To avoid violations we shall enhance the activity of educating the staff, of increasing the spirit of responsibility in relation to accomplishment of the tasks allotted them, maximizing concern for customers.

11710/12913

Members of Socialist Education, Culture Council
27000038 Bucharest BULETINUL OFICIAL
in Romanian Part I No 50, 30 Oct 87 pp 1-5

[Text]

Presidential Decrees

Presidential Decree concerning the membership of the Council for Socialist Culture and Education and of its executive bureau.

The President of the Socialist Republic of Romania decrees:

The membership of the Council for Socialist Culture and Education and of its executive bureau is approved as listed in the annex which is an integral part of this presidential decree.

Nicolae Ceausescu President The Socialist Republic of Romania

Bucharest, 27 October 1987 No 188.

Annex

Membership of the Council for Socialist Culture and Education and of its executive bureau.

I. The Council for Socialist Culture and Education:

Chairman

Suzana Gadea

Vice Chairmen

Tamara Maria Dobrin

Mihai Dulea

Dumitru Ionas—vice chairman, the Central Council of the General Union of Trade Unions of Romania

Constantin Petre—director general, Romanian Radio and Television

Maria Costache—secretary, National Council of Women's executive bureau

Ioan Toma—first secretary, U.T.C. Central Committee; minister for youth matters

Viorica Neculau—deputy minister of education and training

Ladislau Hegedus—state secretary, Council for Socialist Culture and Education

Members

Mihai Constantin Alexandru—director, Tirgoviste trade unions' house of culture, Dimbovita county

Dumitra Antonic—team chief; assistant secretary, the Party Committee of the Electroputere Enterprise

Craiova, Dolj county Gheorghe Antonescu—chairman, Ialomita County Council for Socialist Culture and Education Octavian

Bandula—chairman, Maramures County Council for Socialist Culture and Education Livius-Nicolae

Berzovan—chairman, Arad County Council for Socialist Culture and Education

Ilie Baditescu—chairman, Vilcea County Council for Socialist Culture and Education Radu

Beligan—vice chairman, Association of Artists of Theatrical and Musical Institutes; director, I. L. Caragiale National Theater, Bucharest

Petre Brincusi—director, The Romanian Opera, Bucharest

Alexandru Balaci—literary critic

Ernest Breitenstein—editor in chief, NEUER WEG Carmen Aurora

Boborodea—engineer; deputy secretary for propaganda, the Party Committee of the Pitesti Petrochemical Combine, Arges county

Adriana-Mariana Bejan—chemical engineer; secretary, the Party Committee of the "Zimbrul" knitwear enterprise, Suceava

Ticuta Cretu—secretary, the Party Committee of the Council for Socialist Culture and Education

Radu Constantinescu—director, Literature and Publications Directorate, the Council for Socialist Culture and Education

Rodica Costache—vice chairman, National Council of Pioneers Organizations

Ilie Ceausescu—deputy minister of national defense; secretary, Higher Political Council

Nicolae Croitoru—secretary for propaganda, Bucharest Municipal Party Committee

Niculina Costescu—chairman, Dimbovita County Committee for Socialist Culture and Education

Silvia Cosma—chairman, Salaj County Committee for Socialist Culture and Education

Vasile Crisan—chairman, Sibiu County Committee for Socialist Culture and Education

Georgeta Carcadia—chairman, Vrancea County Committee for Socialist Culture and Education

Nicolae Calinoiu—chairman, Union of Composers and Musicologists

Gheorghe Colesica—director, Museum of History of the Socialist Republic of Romania

Eugenia Ciubincan—technical director, the polygraphic industry central

Ioan Calugar—secretary, the Party Committee of the Cimpia Turzii Metallurgy Combine, Cluj county

Ionel Caliman—deputy secretary for propaganda, Faget Communal Party Committee, Timis county; director, the Cultural Club

Nicolae Dragason—secretary, National Council of Physical Education and Sports

Petre Danica—vice chairman, Committee for Problems of People's Councils

Carmen Nicoleta Dobrescu—chairman, Brasov County Committee for Socialist Culture and Education

Ioan Dumitras—chairman, Giurgiu County Committee for Socialist Culture and Education

Elena Ene—vice chairman, Central Union of Artisan Cooperatives

Petru Enasoe—chairman, Bacau County Committee for Socialist Culture and Education

Paul Erdos—sketcher; vice chairman, Union of Plastic Artists

Alec Floares—secretary for propaganda, Iasi County Party Committee

Eugen Florescu—secretary for propaganda, Timis County Party Committee

Emil Florea—miner; secretary, Petrila Mining Enterprise Party Committee, Hunedoara county

Maria-Mariana Francu—chairman, Electrotimis Enterprise Union Committee, Timisoara

Constantin Gheorghe—director, Directorate for Mass Culture, Council for Socialist Culture and Education

Florea Ghita—deputy chief, RCP Central Committee Section for Press and Propaganda

Emese-Irma Gavrilă—chairman, Covasna County Committee for Socialist Culture and Education

Carmen-Cornelia Gramada—chairman, Caras-Severin County Committee for Socialist Culture and Education

Dumitru Ghise—director, "Editura Politica"

Cornelia Georgescu—director, "Romaniafilm"

Mihai Hodorogea—chairman, Neamt County Committee for Socialist Culture and Education

Gyozo-Victor Hajdu—editor in chief, IGAZ-SZO, Targu Mures

Milintie Hategan—seamstress; chairman, Trade Union Committee of the "Steaua Rosie" enterprise, Sibiu

Florea Iordan—chairman, Bistrita-Nasaud County Committee for Socialist Culture and Education

Octavia Ivan—chairman, Constanta County Committee for Socialist Culture and Education

Rafila Iacob—chairman, Hunedoara County Committee for Socialist Culture and Education

Ion Irimescu—chairman, Union of Plastic Artists

Mircea-Radu Iacoban—director, the National Theater, Iasi

Adrian Ionescu—deputy general director, AGERPRESS; chairman, Union of Newsmen

Liliana Iordache—mechanical engineer; deputy secretary for propaganda, the Party Committee of the Bucharest Heavy Machinery Enterprise

Valentin Iancu—deputy secretary for propaganda, Baia de Arges Communal Party Committee, Alba county; director, House of Culture

Ileana Jalba—vice chairman, the Executive Bureau of the Central Union of Production, Purchasing and Delivery of Goods, "CENTROCOOP"

Gheorghe Jauca—chairman, Botosani County Committee for Socialist Culture and Education

Vancea Gabriela Jelea—chairman, Braila County Committee for Socialist Culture and Education

Diamanta Laudoniu—vice chairman, National Committee for Science and Technology

Constanta Lazarescu—chairman, Dolj County Committee for Socialist Culture and Education

Lajos Letay—editor in chief, UTUNK, Cluj-Napoca

Filotia Lazar—seamstress; deputy secretary for propaganda, the Party Committee of the Bucharest Enterprise for Ready-Made Clothes and Knitwear

Ilie Lustrea—choir director, Buteni Cultural Center, Arad county

Niculae Mihai—deputy chief, RCP Central Committee Section for Foreign Relations

Nicolae Mihalache—deputy chief, RCP Central Committee Section for Party Organization

Ion Mocioi—chairman, Gorj County Committee for Socialist Culture and Education

Adalbert Majai—chairman, Harghita County Committee for Socialist Culture and Education

Gabriela Marinescu—chairman, Prahova County Committee for Socialist Culture and Education

Ovidiu Munteanu—director, Sighisoara Municipal House of Culture

Liliana Moisei—principal engineer; deputy secretary, the Party Committee of the Cimpina Mechanical Enterprise, Prahova county

Dan Cristian Niculecu—secretary, Council of the Union of Communist Students' Associations of Romania

George Neagu—secretary, Organizational Committee of the National Union of Agricultural Production Cooperatives

Ion Nae—chairman, Buzau County Committee for Socialist Culture and Education

Stefan Nicolae—chairman, Teleorman County Committee for Socialist Culture and Education

Viorel Negrila—master, deputy secretary for propaganda, the Party Committee of the Brasov "Tractor" enterprise

Ionel Neatu—secretary for propaganda, the Party Committee of the Galati Steel Works Combine

Titu Ioan Onea—chairman, Satu Mare County Committee for Socialist Culture and Education

Ion Popescu-Puturi—director, Institute of Historical and Social-Political Studies of the RCP Central Committee

Petre Popa—chairman, Arges County Committee for Socialist Culture and Education

Eleodor Popescu—chairman, Mehedinti County Committee for Socialist Culture and Education

Dumitru Radu Popescu—chairman, Union of Writers

Stela Popita—technician; deputy secretary for propaganda, Party Committee of the Oradea enterprise "Solidarity," Bihor county

Elena Plesca—chairman, union committee, the Savinesti Synthetic Fiber Combine

Petre Raducanu—secretary, Party Committee of the "23 August" factory, Bucharest

Olimpia Solomonescu—deputy foreign minister

Ion Sasu—secretary for propaganda, Cluj County Party Committee

Rodica Sfrijan—technician, secretary, the Party Committee, Puscani Enterprise for Knitwear and Curtains, Iasi county

Viorel-Ioan Sicoe—chairman, Alba County Committee for Socialist Culture and Education

Antoneta Somodi—chairman, Mures County Committee for Socialist Culture and Education

Gheorghe Suciu—chairman, Bihor County Committee for Socialist Culture and Education

Cristina Stoian—chairman, Vaslui County Committee for Socialist Culture and Education

Dumitru Sandu—chairman, Calarasi County Committee for Socialist Culture and Education

Florica Serbanescu—chairman, Galati County Committee for Socialist Culture and Education

Bujorel Dudus Stefan—chairman, Olt County Committee for Socialist Culture and Education

Vasile Serban—chairman, Tulcea County Committee for Socialist Culture and Education

Alexandru Toma—chairman, Suceava County Committee for Socialist Culture and Education

Florica Todirisca—laboratory assistant; deputy secretary, the Party Committee, Navodari Chemical Fertilizer Combine, Constanta county

Aurel Tolescu—director, Directorate for Organization, Control, Personnel and Education

Elena-Daniela Visolu—locksmith, deputy secretary for propaganda, the "Grivita Rosie" chemical equipment enterprise, Bucharest

Anica Zisu—deputy secretary for propaganda, Girbovi Communal Party Committee, Ialomita county; director, Cultural Center

[person holding position]—state secretary, Council for Socialist Culture and Education

II. Executive Bureau, Council for Socialist Culture and Education

Chairman

Suzana Gadea

Deputy Chairmen

Tamara Maria Dobrin

Mihai Dulea

Dumitru Ionas—vice chairman, the Central Council of the General Union of Trade Unions of Romania

Constantin Petre—director general, Romanian Radio and Television

Maria Costache—secretary, National Council of Women's executive bureau

Ioan Toma—first secretary, U.T.C. Central Committee; minister for youth matters

Viorica Neculau—deputy minister of education and training

Ladislau Hegedus—state secretary, Council for Socialist Culture and Education

Members

Radu Beligan—vice chairman, Association of Artists of Theatrical and Musical Institutes; director, I. L. Caragiale National Theater, Bucharest

Nicolae Calinoiu—chairman, Union of Composers and Musicologists

Ilie Ceaulescu—deputy minister of national defense; secretary, Higher Political Council Socialist Culture and Education

Radu Constantinescu—director, Literature and Publications Directorate, the Council for Socialist Culture and Education

Rodica Costache—vice chairman, National Council of Pioneers Organizations

Ticuta Cretu—secretary, the Party Committee of the Council for Socialist Culture and Education

Petre Danica—vice chairman, Committee for Problems of People's Councils

Nicolae Dragason—secretary, National Council of Physical Education and Sport

Elena Ene—vice chairman, Central Union of Artisan Cooperatives

Constantin Gheorghe—director, Directorate for Mass Culture, Council for Socialist Culture and Education

Adrian Ionescu—deputy general director, AGERPRESS; chairman, Union of Newsmen

Ion Irimescu—chairman, Union of Plastic Artists

Ileana Jalba—vice chairman, the Executive Bureau of the Central Union of Production, Purchasing and Delivery of Goods, "CENTROCOOP"

Diamanta Laudoniu—vice chairman, National Committee for Science and Technology

JPRS-EER-88-013
22 February 1988

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ECONOMIC

George Neagu—secretary, Organizational Committee of the National Union of Agricultural Production Cooperatives

Dan Cristian Niculecu—secretary, Council of the Union of Communist Students' Associations of Romania

Ion Popescu-Puturi—director, Institute of Historical and Social-Political Studies of the RCP Central Committee

Dumitru Radu Popescu—chairman, Union of Writers

Aurel Tolescu—director, Directorate for Organization, Control, Personnel and Education

[person holding position]—state secretary, Council for Socialist Culture and Education

12280

CZECHOSLOVAKIA

Young Czechs' Interest in English Soars 24000035a Prague RUDE PRAVO in Czech 21 Sep 87 p 5

[Article by Jana Vackova, PhD, Prague: "Will the Endless Queues End?"]

[Text] In our day and age people must communicate not only with computers but also with one another in proper Czech and, at the same time, in other languages with foreign nationals. Thus, the study of languages has become part of the restructuring of socioeconomic mechanisms. Our School of Languages in Prague systematically endeavors to improve its conditions for teaching as well as to upgrade the skills of the graduates of individual courses.

We keep discovering all that should be done better and all that must be improved immediately, under the existing circumstances. Please understand: "Immediately" means efforts of many years, in other words, more rational planning of the curricula and a priority for the effort to satisfy the interest in the study expressed by our youth (high-school and college students) and working people.

The above-mentioned word "immediately" reflects the reaction of our school mainly to the unfulfilled satisfaction of our public's "craving" to learn English and German (in our article we shall disregard any fads and snobbery). As a matter of fact, applications for admission to courses of other languages do not alarm us—those we can handle. The "craving" is evident from the endless queues at the time of registration, from the urgent requests and demands for preferential treatment, from the complaints, nervousness, the overloaded telephone lines, and so on.

We used this year's application for admission to our English-language courses to analyze a sampling of applicants for the study of English in order to verify the accuracy of our primary documentation and data which the applicants for admission to a certain course may themselves directly enter in the terminal or a minicomputer right in the school or in the computer center of the school administration. (As usual, in this case we processed our data manually.) This was a demanding job which confirmed certain hypotheses. Students signing up for new courses will be better informed if the curriculum is more flexible; if the applications and data from 1,382 applicants are processed gradually, in a calm atmosphere; if the interested individuals are systematically placed in vacancies opened in advanced classes from November to April, and if necessary information about the planned program is made available to the [kmenovy]

audience. Without proper equipment we cannot achieve any demonstrable accuracy in the classification of individuals interested in such courses. Unlike previous estimates, this method has provided copious data for the determination of the concepts for new language schools in Prague which our higher authorities are currently planning on the basis of an analysis of problems which affect the teaching of foreign languages offered to the youth and adults in Prague. A sampling of 2,567 persons interested in the English language was obtained in no more than 2 months, not including June when traditionally the pressures on school are at their peak; our data confirmed that our higher authorities were correct in considering the hiring of additional teachers and the acquisition of funds and premises for classes. The interest of Prague citizens in the study of German is less intense, yet it still remains unfulfilled.

The data we had gathered did not surprise us by the high number of interested individuals and the share of young people (48 percent high-school and college students). Nevertheless, the preponderance of applicants for the courses of basic English—as many as 82 percent—was astonishing.

The future trends for additional schools of languages in our capital city is obvious: Among our young people alone, 61 percent applied for English courses for beginners, and 24 percent for basic courses—having already studied English in high school! Only 15 percent had the courage to tackle courses for semi-advanced which prepare them for the general state language examination. If we add to that the hundreds of [kmenovy] listeners who wish to retain a high level of their fluency in English for many years, and if we consider the educational and professional benefits stemming from the study of foreign languages, we may easily succumb to enthusiasm over the importance of our language schools and of our community schools of languages which enable persons of all ages to use their free time to the best advantage. The question is, who should be accorded such an opportunity sooner and who later. This year the Prague School of Languages introduced successful internal adjustments in its curriculum, thus expanding to 1,330 the number of new admissions for students interested in the English language, and for the first time invited young—78 percent—on a priority basis.

It is an objective necessity to improve the situation in order to spread a sound knowledge of the English language among our youth and working people. By that we mean most of all the economic benefits of linguistic skills which have been discussed in our press on many occasions. Our day and age gives us the confidence that the ice will break.

9004/12232

Citizen's Report Criticizes Lack of Environmental Safeguards

23000036a Vienna PROFIL in German
30 Nov 87 pp 49, 50

[Article by Misha Glenny: "Environmental Time Bomb"] [Text] In Bratislava, once connected to Vienna by streetcar, an experimental atomic reactor is to be built, according to the environmental report of a group of Slovak researchers recently published in the West. Stefan Bartak, the mayor of Bratislava, reacted to this announcement as could be expected: "This is the most malicious campaign to be waged against Czechoslovakia in the last 40 years."

The members of the research group, called the "Slovak Union of Protectors of Nature and Landscape," were questioned by the police and warned to take no more obtrusive action. However, several hundred students, as well as some of the teaching staff, at the Slovak Technical University, where the reactor is to be built, signed a petition on behalf of the environmental researchers. Around 1000 copies of their report were distributed legally, while another 2000 were confiscated by the police. Since then "all photocopiers in Bratislava have been overheated," says a Slovak journalist—so great is the demand for the book that is now circulating as samizdat.

At a press conference at the construction site of the Mohovce atomic power plant, Western journalists recently had their first opportunity to question responsible experts about the mysterious reactor project in the Mlynska Dolina residential area of Bratislava. However, Miroslav Buocik of the Slovak Ministry of Construction and Rudolf Kvetan, director of the Slovak Energy Supply Enterprise in Bratislava, disclaimed competence. The new reactor project, they said, falls solely under the competence of the Ministry of Education.

Director Buocik said that no one had applied to his ministry for permission to build such a reactor, while the environmental report alleged that the ministry had in fact given a green light to beginning construction next year. Questions concerning the potential output of the planned reactor—rumors run from 100 kilowatts to one megawatt—were similarly left unanswered.

In contrast, Sobislav Simecek of the Czechoslovak Atomic Power Association revealed that his country will use a storage depot for radioactive waste if the Mohovce power plant goes into operation in 1989. Up to now, the USSR has taken all nuclear waste from the CSSR, but Simecek indicated that in the future only spent fuel rods will be accepted. Waste with lower levels of radioactivity will reportedly have to be buried somewhere within the country.

The Slovaks are reacting to such announcements with increasing sensitivity. The grim facts of the "environmental report" are already being discussed openly. Air pollution, a major nuisance in many parts of Czechoslovakia, is particularly bad in Bratislava. The Slovak capital ranks at the very bottom in Europe in air quality. Within the city, many substances exceed acceptable

levels: sulfur dioxide, carbon dioxide and nitrogen monoxide. About 50 percent of the Slovak chemical industry is concentrated around Bratislava.

According to the research findings of the scientific environmental reporters, the worst air polluter is the Slovnaft refinery complex, which is continuing to expand production. The reduction of carbon dioxide emissions by other chemical factories has reportedly been postponed until the year 2000. The Kablo chemical factory, which was supposed to be moved to a site outside the city, is now in fact expanding its facilities on its old premises. New production processes are said to entail additional, new toxic substances and new dangers to the environment. "A further delay in fundamentally altering the attitude in the direction of environmental protection—and thus protection of the citizens' health—is inhumane and thus in conflict with the basic principles of our society," the authors of the report criticize.

Many residents of Bratislava are trying to move to more remote parts of the city. Real estate prices in the cleaner areas are already 200 to 300 percent higher than in the polluted ones, says Jan Budaj in the East European magazine GEGENSTIMMEN. The reaction of the residents is one of panic, he says: "Every man for himself."

Drinking water, which is already scarce in Czechoslovakia, is particularly endangered in Bratislava. There is an enormous reservoir of drinking water under the city in enormous layers of subterranean gravel. Directly above it is Slovnaft, which allows 10 million liters of oil to seep into the subsoil each year (Budaj).

The "environmental report" states that another 12 and a half tons of oil and 0.3 tons of phenol flow into the Danube each year. The authors of the report also complain about the lack of information to the Slovak public concerning environmental dangers. Secrecy is applied excessively, they say; incidents that cannot be kept secret are trivialized, and there are also reportedly cases of intentional disinformation.

The assumption that publishing the truth could damage Bratislava's standing abroad is a false one, the environmental reporters say in an attempt to deflect criticism. There are adequate technical means for determining the state of the environment from the outside, they go on. The authors clearly admitted that with their work they were pursuing the spirit of Gorbachev's "glasnost," the new "openness." Thus, the title of their report was in fact "Nahlas," the Slovak translation of glasnost. In order to present the report, they invited journalists to a press conference; journalists did come, but nothing was reported in the CSSR media.

Even though there is much talk of enthusiasm for glasnost, the Communist Party of Slovakia is having serious problems with adjusting to the new openness of Big Brother. A party functionary reports that the Politburo recently issued a highly confidential document to the

editors-in-chief of all Slovak publications. The directive is said to have listed 17 points detailing how the newspapers are to handle glasnost. Commentary concerning the liberalization of life in the USSR is reportedly forbidden; however, direct quotes from the Soviet press are permitted under certain circumstances.

Slovak journalists complain that they are currently able to write less than before. The reversal of the trend reportedly took place with the death a few months ago of Bohus Travnicek, the editor-in-chief of the Slovak PRAVDA. This party journalist had in the end "let a certain openness flourish," a colleague reports. But that was the end of it, he said.

The Slovak CP is apparently looking towards the 20th anniversary of the Prague Spring next year with growing nervousness. Alexander Dubcek, who introduced the liberalization of that period, has lived in Bratislava as a recluse for 18 years. The party is not only afraid that Dubcek could break his silence; it is also receiving signals from Moscow that a reassessment of the events of 1968 could be on the agenda.

Rumors are also flying concerning another Bratislava native, Czechoslovak President Gustav Husak, to the effect that he is in poor health. Facing the growing unrest among the population, the Slovak Communists are also sensing behind them increasing pressure from their Czech comrades, who want to end two decades of continual Slovak dominance at the top echelon of state. It is no wonder that "nahlas," openness, was the first victim in this war of many fronts.

12271

Extensive Environmental Study on Bratislava Published

24000051c Bratislava NAHLAS in Slovak
22 Sep 87 pp 1-61

[About 100 Czech and Slovak scientists contributed to the study prepared by the Slovak Society for Environmental Protection]

[Editorial Report]The Slovak Society for Environmental Protection [SZOPK] prepared a study on the Bratislava environment to which about 100 concerned scientists contributed their comments. Not a samizdat, it was published in a private publication called NAHLAS [Glasnost], on 22 September 1987 in 1,000 copies for the "use of the SZOPK members," and distributed without charge. It is not for sale. Readers, however, are solicited to contribute Kcs 20 or more as a membership fee and make additional donations for the activities of the Bratislava work group.

On the last page, entitled "Conclusion or An Editorial Comment," the publishers explain how the document came to be written:

"This compilation of data on present-day Bratislava has been made at the request of the membership of an organization which is the largest (in number of members as well as the scope and impact of its activities) environmental protection organization in Slovakia—ZO (local unit) No. 6 in Bratislava, and is in conformity with the wishes of other active Bratislava local units associated with the city SZOPK organization (particularly Nos. 3 and 13) as well as other informal groups and individuals, protectors of nature, monuments, and of the environment. The team which created this document, together with the closest colleagues from the Slovak Society for Environmental Protection, spent tens of thousands work-hours without pay and contributed tens of thousands of korunas of their own money, generally private resources, for the enhancement of environmental protection in various parts of Slovakia. We think that it was this unselfish effort, through which the collective acquired very valuable experiences and data, which also gave it the moral justification for the task—voluntarily undertaken—of composing the document which you have just finished reading. It is the close contact with the problems and the completely voluntary participation in their solutions which honed our emotional and esthetic sensitivity and, perhaps, made our interpretations more lucid.

Members of the almost 100-member publication work team are members of scientific organizations, Slovak Academy of Sciences institutes, branch and research institutes, faculties of the Komensky University and Slovak Technological Institute, planning and design institutes, government administration agencies, state organizations for preservation of historical and natural resources, editorial offices, health organizations, and others (a total of 65 various organizations).

For practical reasons, the editors shortened and edited the more extensive texts of the authors of individual subjects; their references and lists of used literature were consolidated at the end. We have done so in the interest of better arrangement and readability of the text. If we did not always succeed in reflecting the authors' of individual representations, we apologize hereby.

The publishers stress that the document is just "the first step" in the process of redress and plead for the broadest possible participation by all concerned citizens: "Because of time and other limitations, the work progressed from analyses only to partial syntheses. In the second part, now being prepared, we want to concentrate on the synthesis of the data and a mathematical processing and evaluation of the information in order to obtain a more exact picture of the functioning or nonfunctioning of the municipal system. We also would like to supplement the level of diagnosis used as the focal point of the completed first part, with a level of forecasting. The third part will concentrate on the Bratislava environmental problems, seen in the first part through the eyes of the individual citizen. In the fourth, we consider it our future responsibility to continue to innovate on obsolete conclusions and realities.

"Thus, we have than enough work cut out for us and every serious participant is welcome. But we will also be sincerely pleased by other than just direct authorship form of contribution; for example, with each advice, addition, reminder, contradiction (the more critical and sincere, the better). Actually, it is less and less appropriate to strictly distinguish the categories of "we," "you," and "they," when we are concerned with a common existential problem of almost one-half million of Bratislava citizens, 15 million inhabitants of Czechoslovakia, and 5 billion inhabitants of the world".

The published documents is divided into three sections with Section I describing the "natural components of the environment," further broken down into discussion of air-quality in Bratislava, surface and underground water resources, rock and soil composition and terrain, threatened natural areas, noise levels, and environmental radioactivity in Bratislava area.

Section II deals with demographics of the area in historical perspective and current government units to include those in surrounding areas, local industry and transportation to include bicycles, and construction.

Section III is concerned with the social environment such as cultural infrastructure, services, health, and disadvantaged social groups.

Each of the chapters of each article also contains recommendations for improvements of the current situation.

The concensus of the article, as enumerated in the chapter on the air quality, is that the pollution norm in Bratislava area is exceeded by a factor in excess of 10, and the health, even the life, of its citizens is under a serious threat. The water situation, with 87% of its wells excessively polluted, is no less of a danger to the well-being of its inhabitants.

In the summary, the document argues that the citizens have a right to a livable environment and provides some over-all recommendation for improvements.

Steady Increase in Divorce Rate Reported

*24000035b Prague RUDE PRAVO in Czech
6 Oct 87 p 4*

[Text] Data compiled over an extended period demonstrate that the divorce rate is steadily rising—last year alone there were 37,885 divorces in the CSSR. Most divorces take place in marriages of 1 to 9 years, in other words, at a time when children because of their age are most vulnerable to the family break-up.

From the statistical data it follows that in most cases women file for a divorce—in 1986, 63.5 percent. Nevertheless, no conclusion can be drawn from this fact

because, in general, marriages are terminated by the mutual agreement of both spouses. Only in 8.5 percent of divorces the marriage was terminated against the will of one of the spouses.

Courts confirmed that the most frequent grounds for divorce are the differences in the characters of both spouses, infidelity, and the husband's excessive consumption of alcohol. Other ascertained causes include lack of interest in family life, marital abuse, criminal conviction, and sexual incompatibility. One of the less prevalent grounds is the parents' improper meddling in the martial life, particularly of newly-wed couples.

9004/12232

High Death Toll From Heart Disease Noted

*24000035c Prague UCITELSKÉ NOVINY in Czech
10 Sep 87 p 9*

[Text] The Yearbook of the World Health Organization from 1986 states that in certain European countries the number of smokers has begun to decline; nevertheless, more than 70 percent of death caused by cancer, bronchitis, and pulmonary edema, and 25 percent of deaths due to cardiac ischemia are attributed to cigarette smoking. For many governments, sales of tobacco products contribute considerable revenues from taxes, but, by the same token, this raises their expenditures for health services. The CSSR ranks second in the world with the highest rate of deaths due to cardiac ischemia, i.e., 290 per 100,000 citizens.

9004/12232

Causes of Work Invalidity Examined

*24000020 Prague RUDE PRAVO in Czech
2 Nov 87 p 4*

[Text] Each year, about 34,000 Czechoslovak citizens retire because of full or partial disability. The situation has stabilized in recent years. A full disability pension fulfills the function of a wage and is the same amount as an old-age pension that the worker would receive had he not been prevented from working by a disability. A partial disability pension amounts to one-half of a disability pension and basically equalizes the wage which was reduced as a result of chronic poor health.

Statistical data show that ischemic heart disease still is the most frequent cause of full disability. It affects mainly men. But it is gratifying to note that during the past several years a slight decline has occurred. It would be premature to be too jubilant, but it does seem that prevention, modern medical techniques, and systematic medical rehabilitation have contributed their share to this result. Prevention gradually results in people becoming ill at a more advanced age when they are already receiving old age pensions. And this can be considered

something of a success, because the most serious ischemic heart diseases, such as myocardial infarction, often affect young people of productive age.

The second most frequent cause of full disability is malignant tumors. Lately there has been an increase in the number of such disabilities; improved medical techniques save the lives of patients.

What will probably surprise a layman is the fact that the third most frequent cause of full disability is mental illness. Last year, it represented almost 12 percent of all approved disability pensions, and their numbers are growing.

As for partial disability pensions, in first place are diseases of the muscle and skeletal systems and connective tissues. These account for more than one-fourth of the partial disability pensions, and they are increasing year by year. In second place is ischemic heart disease, and in third place accidents, poisoning, and violence. These three groups, together with diseases of the upper respiratory tracts, account for one-half of all the approved partial disability pensions.

Following several years of increases in the number of disabilities resulting from work-related illness, there were 135 fewer cases last year.

And one more statistic: the number of Czechoslovak citizens receiving disability or partial disability pensions during the past 4 years represented 4.5 percent of the total population, which means that in comparison with other European countries we are in a better situation.

Nevertheless, many of these statistics give us pause. It seems that positive results are achieved where attention is focused on the prevention and cure of the disease. As an example we can cite heart disease, although we cannot say that all possibilities already have been exhausted. On the contrary, if we can motivate citizens to lead healthier lives and give up various life-threatening habits, the results could be better. Experiences in other countries attest to that. Although the fact is that heart disease and the risk factors which cause it are the focus of attention.

As we already mentioned, the most frequent causes of partial disability are diseases of the muscular and skeletal systems and connective tissues. There is hardly a man in our country who does not complain of pain in his spine or joints. These diseases cause a lot of pain; pills can reduce the pain but do not cure the disease. In many cases the illness is the result of poor working conditions or a sedentary occupation. The number of those afflicted, and thus also of approved disability pensions, is growing every year. However, if we were to answer the question what prevention is achieving, then we would have to say—practically nothing. We can begin by looking at school children. We keep talking about the small number of hours of physical education, but unfortunately, we only talk about it. One study by the Institute of Health Education in Prague showed that young girls exercise very little. And if they do not exercise in the years when they want to please and when they have the time, how would they take care of themselves when they have children, when they have to take care of the household, go to work, and indeed have very little time for it. Habits play a big role. Those who exercised in their childhood will take care of themselves also in their later years because they will miss the activity.

Social security ensures that all those who, as a result of poor health had to leave their employment or can work only part time, receive a pension. The average amount of a full disability pension in CSR last year came to Kcs 1,597 and a partial disability pension to Kcs 923. However, if disability pension has been approved, it always means that health has been impaired. This cannot be always prevented. There are people who have been disabled since childhood, or sometimes a person becomes ill without contributing to it in any way. But certain diseases, and those are just the ones which are the main causes of disability, are also caused by incorrect life style, improper living and work conditions, and poor environment. Thus if there is to be an improvement, conditions must change. They are not the same everywhere and therefore there will be different approaches to solutions. It is not by happenstance that back-pain occurs mostly where people have to hunch over their work all through their working day. Often a short break would be enough to allow them to stretch their bodies. Why is it not done?

However, we must begin in childhood.

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